H.R. 1918 AND H.R. 2735—PENSION FOR WORLD WAR I VETERANS

HEARING

BEFORE THE

SUBCOMMITTEE ON
COMPENSATION, PENSION AND INSURANCE

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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H.R. 1918 AND H.R. 2735—PENSION FOR WORLD WAR I VETERANS

TUESDAY, AUGUST 2, 1983

House of Representatives,
Committee on Veterans' Affairs,
Subcommittee on Compensation, Pension and Insurance,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m., in room 334, Cannon House Office Building, Hon. Douglas Applegate (chairman of the subcommittee) presiding.

Present: Representatives Applegate, Hall, Martinez, Montgomery, McEwen, Hammerschmidt, and Burton.

OPENING STATEMENT OF CHAIRMAN APPLEGATE

Mr. **Applegate**. Good morning, ladies and gentlemen. Though we are short a few members, particularly the prime sponsors of two of the measures, we are going to move ahead. We know that you set time aside to come in this morning and we don't want to delay you.

This morning we are meeting to receive testimony on legislative proposals which would affect the pension program for World War I veterans. Our colleague, the Honorable Glenn Anderson of California, is here to speak on behalf of his bill, H.R. 1918. There can be no doubt as to where Glenn stands on the issue. He has been out in the forefront for a good many years with H.R. 1918 on behalf of the World War I veterans. Glenn, we certainly welcome you here.

In addition to H.R. 1918, the witnesses will also discuss H.R. 2735, a bill that was introduced by our colleague on the committee, Mr. Hall. Mr. Hall, unfortunately, will not be with us this morning due to circumstances beyond his control. The American Legion will discuss their bill, H.R. 1369. Each of these bills would liberalize the pension program for our veterans of World War I. There is a wide range in the costs of these bills and the testimony of witnesses today will help us as we consider these proposals to see how they will fit into the overall legislative objectives of the committee.

We know, of course, that there are going to be some very hard decisions that will have to be made by this committee because we, like most of the other committees, are going to have to try to stay within budget constraints. We are all working together to try to reduce the Federal deficit, but we also want to be fair and equitable and see that those who have earned a benefit will get it.

This is not to say the World War I veterans have not received anything over the years, and they would be the first to stand up and say they have received many benefits. At the same time they were out in the forefront supporting the World II veterans a number of years back in their attempts to secure passage of the GI Bill of Rights. While it is unlikely passage would have occurred without the support of the World War I veterans, there is a certain irony in the fact that they were unable take advantage of or benefit from such legislation.

Certainly I want to welcome all the witnesses we have today. We can assure them that we are going to be very interested in what they have to say.

Normally at this time I would recognize my ranking minority member of the committee, Mr. McEwen. However, Mr. McEwen is not here as yet. He does have a statement which we will enter into the record. However, if he does come in, we will recognize him for whatever he would like to say.

We are also very fortunate to have with us our very distinguished ranking minority member of the full committee, John Paul Hammerschmidt, and I would yield to him at this time.

Mr. **HAMMERSCHMIDT**. Thank you, Mr. Chairman.

I know you have already commented on this, but I would officially ask unanimous consent that our distinguished ranking minority member of the subcommittee's statement be put in the record immediately following your statement, and he may come in to give that personally a little later.

Mr. **APPLEGATE**. So moved.

[The statement of Mr. McEwen follows:]

STATEMENT OF HON. BOB MCEWEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Adlai Stevenson once said, "When an American says he loves his country, he . . . means that he loves an inner air, an inner light in which freedom lives and in which a man can draw the breath of self-respect." I can think of no more eloquent way to express the feelings of all of us who believe in the basic dignity that comes from being an American in service to this great country.

Mr. Chairman, it is a rare honor for me to be in the company of such distinguished Americans as the veterans of World War I. For their sacrifices in what was bravely called "the war to end all wars" this Nation continues to owe a debt, as we do to all of America's combat veterans. After all, their unselfish duty for this country was the basis for the beginning of the Veterans' Administration.

The organizations representing America's World War I veterans are not here "hat-in-hand." They see a need to improve the quality of life for their members without unjustly burdening the system for other American veterans.

We are not unsympathetic to their entreaties, and I am sure that this committee will note today's testimony with a sincere regard for the same fairness and equity that we give to all of our veterans.

We have done much to aid all our other veterans; if there is more that can be done now for these honorable soldiers, if we can restore that breath of self-respect, even at this late hour, then let us begin today.

In closing, Mr. Chairman, I want to commend the witnesses for all their organizations have done for our World War I veterans. As I said, I am honored to be in the company of such patriots and I am sure my feelings are shared by every member of this committee.

Thank you every much.

STATEMENT OF HON. JOHN PAUL HAMMERSCHMIDT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. **HAMMERSCHMIDT**. Mr. Chairman, I am pleased to join you in welcoming today's witnesses to this subcommittee, and I know that we all share a common concern for the welfare of the men and women represented by these outstanding organizations. The bills under the subcommittee's consideration, H.R. 1918, H.R. 2735, and H.R. 1369, which is offered by the American Legion, seeks to further relieve the veterans of World War I in the Mexican border period of the variety of pension plans that would increase the plans already in effect.

There is no question that these veterans, like all of our fine servicemen and women, are deserving compensation for the sacrifices they made so unselfishly. Since the age of their group averages 80 years or better, these veterans and their families are experiencing the difficulties unique to the elderly, difficulties which require more care, more support, and therefore more financial security.

Congress has, over the past 40 years promoted pension and compensation benefits not only to World War I veterans but to all our veterans who have served the cause of freedom. We have tried to be fair to all.

While all of us who serve on this subcommittee are sympathetic to the issues raised in these bills, we are charged to serve the total population of our veterans and, in doing so, we are constrained by budgets that do not allow for a great deal of leeway. That fact does not mean we will not continue to explore all avenues of relief, nor does it mean that these bills before us are without merit, certainly.

As our distinguished chairman has pointed out, the decisions we make are rarely easy ones, but I want to assure you we are going to help where we can and that you and the members of your organizations will always receive compassionate and fair consideration by this subcommittee and this Congress.

I did notice in the audience—I guess he is going to be our first witness—a very able and distinguished colleague of ours, Glenn Anderson from California, who I have the pleasure of serving with on the Public Works and Transportation Committee. He is one of our most senior and most capable members on that committee, and certainly, if anyone is loyal to the cause of World War I veterans, it is Glenn Anderson. So I am delighted that he is with us today.

Thank you, Mr. Chairman.

Mr. **Applegate**. Thank you, Mr. Hammerschmidt.

Our first witness, as was pointed out by Mr. Hammerschmidt, will be our very distinguished colleague from California and, incidently, with whom I also serve on the Public Works Committee. He is also the chairman of my Surface Transportation Subcommittee.

Glenn, if you will come forth and give us your statement. You may summarize or handle it in any way you wish, but the entire text, without objection, will be entered into the record.

STATEMENT OF HON. GLENN M. ANDERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. **Anderson**. Thank you, Mr. Chairman, for your kind remarks, and thank you, too, John Paul, for yours.

Mr. Chairman and members of the committee, like all of our World War I buddies, I am grateful that the members of this subcommittee have again shown their concern for these veterans by convening today's hearings on the authorization of a service pension for the veterans of World War I. If I may, I would also like to extol this great Nation of ours for so generously recognizing the sacrifices of all our veterans during our more than 200 year heritage through the enactment of numerous veterans' pension and benefit legislation.

Of course, as you know, most recently congressionally-passed legislation was signed into law and will assist one of the most valiant yet tepidly received group of veterans, the many men who answered their Nation's calling during the Vietnam conflict. Both the Veterans' Health Care, Training, and Small Business Act, and section 441 of the Job Training Partnership Act, will insure expanded employment and business opportunities for those veterans.

As a veteran of World War II, I have supported needed veterans' legislation during my tenure in the Congress and will continue to do so. Earlier in this session I joined an overwhelming majority of our colleagues in passing H.R. 2355, the Emergency Vietnam Veterans' Job Training Act, and H.R. 2948, the Veterans' Housing Benefits Amendments of 1983. An additional bill which I believe is just as worthy of House approval, however, is my legislation, H.R. 1918, authorizing a service pension for our long-ignored World War I veterans.

The service pension that H.R. 1918 authorizes would provide $150 per month for each eligible veteran. In the event that the eligible veteran has passed away, the eligible surviving spouse of such veteran is authorized to receive this pension. Members of the subcommittee may wish to note that the version of H.R. 1918 I introduced in this Congress specifies that the Administrator of the Veterans' Administration shall pay to all veterans and surviving spouses who qualify under this legislation a service pension at a monthly rate of $150. In that I reemphasize that he "shall pay." This comes in response to concerns raised by the representative of the Veterans' Administration who testified before this subcommittee during the 97th Congress about the language of my bill and its apparent lack of resolve regarding the actual payment of the service pension.

Mr. Chairman, H.R. 1918 is not precedent-setting legislation. A service pension for Revolutionary War veterans was enacted by the Continental Congress on May 15, 1778. Initially its provision of one-half pay for life was made applicable only to commissioned officers of that war. Subsequent liberalizing amendments passed in 1783, 1828, and 1832, conferred eligibility on noncommissioned officers and soldiers, and eventually provided that all would receive full military pay for life. Pension amounts for those veterans varied. An eligible veteran received from $20 to $600 annually. I should like to emphasize, too, that there were no restrictions on such a veteran's financial or property assets.

Service pensions also were enacted for veterans of the War of 1812, the Mexican War, and the so-called Indian Wars occurring sporadically during the period from 1832 to 1898. Pensions received by those veterans were paid at a rate of $8 per month, and subsequent legislation increased the monthly pension amount to $50, $65, or $101, depending upon in which of the aforementioned wars the veteran served.

And even though only those veterans of the Civil War who were honorably discharged and were incapable of performing manual labor qualified for the $6 to $12 monthly pension, there were no such income restrictions as there are today.

Finally, eligible veterans of the Spanish-American War, the Boxer Rebellion, and Philippine Insurrection who had attained age 62 received a pension of $12 per month. Eventually this pension was increased to $60 per month for a 75-year-old veteran, and there also were no outside income tests used in determining who was and was not eligible at that time.

Just as a service pension for veterans is not anomalous to the United States' treatment of her veterans, neither is the enactment of service pension eligibility for surviving spouses of eligible veterans. Beginning with an act of 1836, service pensions were extended to surviving spouses of veterans who served during the Revolutionary War, the War of 1812, the Mexican War, Indian Wars, and the Civil War. Interestingly enough, under the 1836 act, women who were merely betrothed to a veteran of the Revolutionary War became eligible for the survivor's pension, even if the veteran had served as few as 14 days.

Mr. Chairman, we all know how cataclysmic the economic and social changes were which confronted our World War I buddies upon their discharge following the signing of the Treaty of Versailles. Like today's Vietnam veteran, it was extremely difficult for them to obtain gainful employment. For unlike the myriad GI bill programs which have benefited veterans of World War II and the Korean and Vietnam conflicts, the veterans of that "war to end all wars" were virtually left out in the cold.

It is true that the Congress overrode a Presidential veto to enact the World War Adjusted Compensation Act of 1924, and that subsequent liberalizing amendments to that so-called bonus bill were passed in 1926 and 1936. But that remuneration for this group of veterans, who served this country for the preservation of our democratic institutions as nobly as any other, falls woefully short of what I and 170 of our House colleagues who have cosponsored H.R. 1918 believe is fair.

Toward passage of the World War Adjusted Compensation Act, it was asserted that these veterans had sacrificed substantial earnings and career opportunities and, therefore, should receive a bonus in the form of non-interest-bearing, 20-year certificates. The most a World War I veteran who was stationed overseas could receive as a bonus payment was $525. Those veterans stationed stateside became eligible for a maximum of a $500 bonus.

My impression of the effectiveness of that bonus is that the earnings gap between military and civilian personnel during that period was never bridged. In a letter I received from the Veterans' Administration, a copy of which I would like to submit for the record,[1] Deputy Administrator Everett Alvarez, Jr., estimates that 40 claimants' certificates were honored during 1982, resulting in outlays of a little over $13,000. That is $347 per claimant.

Now, Mr. Chairman, this country owes these veterans much more than they have received. While I will be the first to applaud our Government for providing comprehensive health care coverage to all veterans, and insuring that each buddy has at least a minimum level of income, for pension purposes these veterans are categorized by the Veterans' Administration as permanently and totally disabled. While I may not speak for all of the buddies who are present today, I do know that many consider this to be an affront to their dignity and the individual sacrifices each has made for our country.

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[1] See p. 50.

Each of us here today should recognize the fact that, while many of us were defending the United States and our Allies during the Second World War, it was the buddies who so effectively lobbied the Congress for the enactment of the Servicemen's Readjustment Act of 1944, or what is more commonly known as the first GI bill. They undertook this campaign on our behalf because they knew just how difficult it was to return home to one's country after having been away at war. It was their foresight that has enabled this Nation to afford all the subsequent veterans the kinds of assistance which are so often needed by the soldier when he returns home and must begin the arduous process of reassimilating civilian life.

Referring again, if I may, Mr. Chairman, to the testimony given by the Veterans' Administration representative at this subcommittee's hearings on H.R. 1918 during the 97th Congress, I would like to recount a few of his words. He concluded then: "The enactment of H.R. 1918 would * * * establish a program so favorable to World War I veterans and their dependents as to amount to an unfair treatment of veterans of later wars." In articulating the opinion of the Veterans' Administration, he further stated: "We strongly disagree with the assumption implicit in this measure that certain periods of service are more worthy than others."

Mr. Chairman and members of the subcommittee, I believe that without passage of H.R. 1918 posterity will feel compelled to conclude that, contrary to the views held by the Veterans' Administration, these veterans were treated unfavorably and that the United States considers their service to this country as less worthy than that of veterans of all other conflicts participated in by our Nation. With this in mind, I urge the subcommittee to favorably report H.R. 1918 to the full Committee on Veterans' Affairs. Members of that committee should then proceed expeditiously toward reporting this legislation for consideration by the full House.

I just want to say, Mr. Chairman—I know you are all so young up there—that I happen to have grown up at just about the time that the World War I veterans were coming back. I remember very clearly the impression that was given in the press and by people and everyone you talked to, of the tremendous feeling of debt we had to the World War I veterans who came back and in a sense saved—I suppose we can say at least western democracy and Western Europe without question—and that we owed them something. There was never any question in anybody's mind in those days but that they were going to get a pension. It was just delayed and delayed. They didn't do it in the thirties, and they didn't do it in the forties, and they didn't do it in the fifties. We never dreamed there wouldn't be a pension by the 1940's and 1950's. And then the sixties and the seventies. We are in 1983 right now, and the average age I believe of the World War I veteran is 88. We haven't got much more time to talk about this. In 6 years there won't be many left.

We must recognize this group that did so much for our country and for the world, and if we don't do it, they will be the only ones that really didn't get anything. I think we know that.

I know we have done some little things. I think you mentioned it, and I have touched on some of them. But by and large, I think that if we don't do something now, we will have gone back on the promises on the words of this country and of everybody who was around in the twenties, thirties, forties, that knew just as a matter of fact they were going to get a pension.

Thank you, Mr. Chairman.

[The statement of Mr. Anderson appears at p. 48.]

Mr. **Applegate**. Thank you, Mr. Anderson, for a very profound, very strong, and very forthright statement. We certainly appreciate your being here.

The gentleman from Ohio, Mr. McEwen.

Mr. **McEwen**. Thank you, Mr. Chairman.

I would join you in expressing my appreciation for the fine testimony of our friend and colleague from California, Mr. Anderson, and associate myself with his remarks. I believe he has touched on all the independent aspects of this issue. He understands them fully, both positively and negatively, and the principle that he has articulated of fairness and responsibility on our part to respond is very appropriate for us to begin these hearings.

I wish to commend him and express my appreciation to him, as well as to you, Mr. Chairman, for holding these hearings. I look forward to hearing from the further witnesses.

Mr. **Applegate**. Thank you, Mr. McEwen.

Mr. Hall.

Mr. **Hall**. I want to also compliment Glenn Anderson, who has been in the forefront of this movement ever since I have been a Member of Congress. I know that H.R. 1918, which is aptly named, has caught my attention from the first day I served on this committee 7 years ago. I agree with the gentleman who preceded me, that you have presented this in a very comprehensive way. We appreciate your interest in the veterans of World War I, and all veterans.

Mr. **Anderson**. Thank you, Sam.

Mr. **Applegate**. The gentleman from Arkansas, Mr. Hammerschmidt.

Mr. **Hammerschmidt**. No questions, Mr. Chairman.

Mr. **Applegate**. Our distinguished chairman of the full committee, Mr. Montgomery.

Mr. **Montgomery**. Thank you, Mr. Chairman.

I would also like to join my colleagues in commending Glenn Anderson for his leadership in this legislation, H.R. 1918, and also for his help on many other veterans' bills that we have had before the Congress. He has also been totally supportive of what we have tried to do in this committee and I am sure you, Mr. Chairman, and other members of the subcommittee will take a good, hard look at the three bills that are before you and will make some recommendations.

Thank you.

Mr. **Applegate**. Thank you, Mr. Chairman.

Again, Glenn, thank you very much for appearing before the committee.

Mr. **Anderson**. Thank you very much.

Mr. **Applegate**. As chairman, even if you sit in this chair, you don't always know what the members of your subcommittee are doing or where they are. Obviously, I didn't know that two of them were going to be here today. One of those, of course, is our colleague and friend from Texas, Mr. Hall, who is the prime sponsor of the bill that was introduced on the request of the World War I veterans, H.R. 2735.

Mr. Hall.

STATEMENT OF HON. SAM B. HALL, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. **Hall**. Thank you, Mr. Chairman.

Mr. Chairman, I would like to take this opportunity to thank you for having these hearings on World War I pension legislation and to personally welcome our colleague, Glenn Anderson, Colonel Houston, Mr. E. L. Sprague, and other individuals who are here today to offer testimony to this committee.

For over a decade, the matter of establishing a pension program for World War I veterans has been a point of contention in the Congress. The format for such a program has changed over the years. What has not changed is the energy and determination which the veterans of the First World War continue to work to achieve within the legislative process what they perceive to be some measure of equity and fairness in recognition of their honorable service to this country in time of war.

Of the nearly 5 million men who served this Nation in World War I, less than 320,000 are alive today. The retirement income, on which many of these veterans depend for substance, is low by any standard of measure. It is these cases of known genuine need that the World War I veterans of the United States want to address in the form of pension legislation complimentary of the high regard that the Nation holds for its veterans of World War I.

Mr. Chairman, I introduced H.R. 2735 in behalf of the World War I veterans organization. That measure will be the subject of discussion today and I will not enter into any indepth discussion of its provisions. Individuals testifying before the committee will offer an important insight on the merits and demerits of this and other World War I pension bills. I would emphasize, however, that for over 10 years the veterans of World War I have sought to gain notice and support in Congress for something that they believe in very much. They have achieved a level of commitment to pension legislation within the House of Representatives that warrants the attention of this committee.

As a deliberative body, the Congress is charged with the responsibility to act consistent with the public interest. In the 97th Congress 286 of our colleagues cosponsored legislation to provide World War I veterans and their surviving spouses with a pension program. So far in this Congress no less than 170 of our House colleagues have signed on to similar pension legislation. This kind of response to a matter of legitimate public interest invites action. It is my opinion we should seriously consider reporting to the full House of Representatives a bill, however amended, to all the Members of this Congress, the opportunity to work their will on an issue of priority concern to veterans of World War I who are deserving of a special measure of attention.

Now, if the information that has been given me is correct—and as I stated, I understand there are about 320,000 World War I veterans still alive—I am also told that these veterans are dying at the rate of about 70,000 to 75,000 per year. If that be true, as Glenn Anderson pointed out, in 5 or 6 or 7 years there will be no need for this legislation so far as those veterans of World War I are concerned. I think if we are going to make an effort in this direction, that now is the time to do it.

I yield back the balance of my time.

Mr. APPLEGATE. Thank you very much, Mr. Hall. We appreciate those words and your introduction of the bill on behalf of the World War I veterans.

The gentleman from Ohio, Mr. McEwen.

Mr. MCEWEN. Mr. Chairman, I have no further comments other than to add my appreciation for the leadership that Congressman Hall has shown on this issue for some time and during the time that he was chairman of this subcommittee. I join him in approaching this issue with the commitment that it be resolved before it is moot.

Thank you very much.

Mr. APPLEGATE. The gentleman from Mississippi, Mr. Montgomery. Do you have anything you would like to say, sir?

Mr. MONTGOMERY. I believe we have some other witness and I believe I will wait for comments.

Mr. APPLEGATE. Mr. Hammerschmidt?

Mr. HAMMERSCHMIDT. Nothing further.

Mr. APPLEGATE. Mr. Martinez?

Mr. MARTINEZ. No questions.

Mr. APPLEGATE. Thank you very much, Sam. We appreciate the testimony that you have given on behalf of World War I veterans.

At this time we will call upon Miss Dorothy Starbuck, Chief Benefits Director of the Veterans' Administration. Again, Dorothy, it is always good to have you here.

Miss STARBUCK. Thank you, Mr. Chairman.

Mr. APPLEGATE. That is sort of a familiar seat to you. You probably have it grooved so you know just exactly where to sit, too.

Miss STARBUCK. Just about.

Mr. APPLEGATE. You may proceed in any manner you wish.

STATEMENT OF DOROTHY L. STARBUCK, CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS BENEFITS, VETERANS' ADMINISTRATION, ACCOMPANIED BY HERBERT B. MARS, DEPUTY DIRECTOR, COMPENSATION AND PENSION SERVICE, DEPARTMENT OF VETERANS BENEFITS

Miss STARBUCK. Thank you very much, Mr. Chairman, and good morning.

We are very pleased to be here today on behalf of the administration to discuss the legislation pending before this subcommittee. However, for the reasons I will set forth in my statement, we do oppose enactment of either of these service pension bills because in all fairness we feel that these proposals do not represent the best way to respond to the financial needs of our aging veterans.

Currently our nonservice-connected disability pension program provides payments to veterans of the Mexican Border period, World War I, and later war periods, and nonservice-connected death pension to their surviving spouses and children.

To be eligible for the pension, a financially needy veteran must be permanently and totally disabled from causes not related to service or be age 65 or over and not working. Surviving spouses are required only to meet a needs test. Service requirements generally are that the veteran be discharged under conditions other than dishonorable after 90 days of active military service, any part of which took place during wartime.

Mr. Chairman, it is a matter of historical fact that since the beginning of the pension program for World War I service, more than 40 years ago, the Government has followed a policy of requiring disability or financial need before granting eligibility for pension benefits. Over the years Congress has repeatedly studied, revised, and improved the pension program, but has at the same time retained the underlying principles of disability, financial need, and wartime service. Both proposed pieces of legislation would dispense with these requisites.

A very good example of congressional policy supporting the concept of a need-based pension program can be found in the statutory instructions given in 1976 to the Veterans' Administration, to study the then existing pension program and to recommend a more equitable, nonservice-connected pension program. This was to be accomplished by the examination of alternative proposals which would assure a level of income for eligible veterans at or above a national minimum standard of need, treat similarly circumstanced pensioners alike, and provide the greatest amount of assistance to those with the greatest amount of need.

We do not believe that enactment of the pending legislation would meet any of the still applicable criteria that I have mentioned. We do believe that the long-standing reqirements of disability and financial need for entitlement to pension remain reasonable and valid and should not be modified without a clear justification for doing so.

I would mention that H.R. 1918 would make payment of a service pension "subject to the availability of appropriations." We feel that this language respecting appropriations would make the payment of this benefit somewhat discretionary on the part of the Administrator. Presumably, he could pay eligible veterans and survivors $150, or he could pay nothing at all. This provision would appear to project some hesitancy to the intended beneficiaries and the general public as to the seriousness of this legislation. Such a limitation we feel would be an unfortunate and misleading development in veterans' benefits laws.

The costs of either H.R. 1918 or H.R. 2735 are substantial. The 5-year cost that we have estimated for H.R. 1918 exceeds $5 billion.

The 5-year cost for H.R. 2735 would slightly exceed $2 billion. In light of the consensus on fiscal restraint existing in Government today, enactment of either bill, with the cost magnitude indicated, we feel would be inappropriate. Additionally, we feel it would have an adverse effect on the existing compensation and pension programs.

In view of the foregoing, the Veterans' Administration strongly opposes enactment of both H.R. 1918 and H.R. 2735.

Mr. Chairman, this concludes the brief of my statement. We will be happy to respond to any questions you may have.

[The statement of Miss Starbuck appears at p. 50.]

Mr. **Applegate**. Thank you, Miss Starbuck. We always know you are direct and right to the point. Again, we always appreciate your being here.

Let me ask you this. We know that you are always sensitive to the needs of the veterans, be they World War I or II or whichever war. Is there any kind of a pension program that would equate with anything that we have here which you believe the Veterans' Administration would be willing to accept or to move on, or that the administration would?

I know that may be an unfair question because it's a little difficult for you to be establishing any kind of policy. Are they adamantly opposed to any legislation of any type?

Miss **Starbuck**. That is my impression. I guess we get involved in the philosophies dealing with our programs. Since the pension program has historically and in all considerations been tied directly to an individual's total disability or his or her age, plus his or her financial need, to escape from that philosophy is the principal point on which we would take a difference.

Mr. **Applegate**. So you're really talking about a principle rather than the dollar figure attached to these bills?

Miss **Starbuck**. Yes, sir. I think historically as well the Congress has not faltered in any of its responsibilities with respect to payment of benefits to veterans.

Mr. **Applegate**. Thank you very much.

The gentleman from Ohio, Mr. McEwen.

Mr. **McEwen**. Thank you, Mr. Chairman.

Again, Miss Starbuck, I can assure you don't have any competition for your position from any members of this committee. I appreciate the fine job that you do in that position and I'm glad that you do it.

Miss **Starbuck**. Thank you, Mr. McEwen.

Mr. **McEwen**. On page 8 of your testimony you summarize with three conclusions and I would like to attempt to distinguish them, if I could, and just read them. You say the reasons you oppose this legislation is because it would be distributed to those who currently do not qualify for pensions because their income exceeds maximum allowable income limits; second, that the proposed elimination of the needs test would discriminate, which I think is really about the same issue; and third, the measures would not provide the greatest amount of assistance to those with the greatest amount of need. So, I really think the three reasons are really in one, and that is that it goes to everyone and there is no distinction between the millionaire or the person in poverty.

I guess my question has actually been answered by your response to the chairman. If we corrected that somewhat, and if we made sure that this went to the veteran who has had his meager pension so seriously eroded by inflation and time, would there still be no support from the administration for a reduced and narrowed scope?

Miss **Starbuck**. Well, I guess we would have to take a look at the proposal as it would come. I certainly grant that anyone who becomes eligible for pension who has an income of slightly over $5,000 a year is not one who is living a plush life. Certainly, when the Federal Government sets the level of maintenance for individuals, it could be possible that some amendment of that level would reach a greater group.

Mr. **McEwen**. Do you have any statistics as to the average income or variance of income for these individuals?

Miss **Starbuck**. No, sir, we don't. When an individual files an application for benefits, it kind of comes down to a bottom line that he does or doesn't. But as far as an average income for a World War I veteran, the population as we know it, I would have none of those figures, sir.

Mr. **McEwen**. If I could request a history lesson here, was it the Bonus Army in 1930, 1931, that the veterans of World War I marched on Washington and from that eventually came the Veterans' Administration? Has this question ever been directly answered as to a pension, or why was it not addressed at that time? As I understand it, that was the main cause of the march on Washington in 1930, which Douglas MacArthur——

Miss **Starbuck**. You're taking me back a little bit, too, Congressman. Excuse me just a second. [Conferring.]

Let me ask Mr. Mars to respond to that, if he can.

Mr. **Mars**. It did not provide a pension. It moved up some of the payment provisions for adjusted compensation. But at that time they did not go into the question of a service pension for the World War I veteran.

Mr. **McEwen**. Had there been a pension before that time for any of America's veterans?

Mr. **Mars**. Yes.

Mr. **McEwen**. Civil War veterans and Spanish American War veterans received a pension?

Mr. **Mars**. At different times the Government provided pensions. For the Revolutionary War veterans they provided it, somewhere around 1826, many years after the end of the war. They provided pensions after many of the war periods, though usually sometimes 20 to 30 years later.

Mr. **McEwen**. But in this case that was never done?

Mr. **Mars**. We do have a pension program that has been in existence since the end of World War I, but this was strictly a needs-based program.

Mr. **McEwen**. Thank you very much, Mr. Chairman.

Mr. **Applegate**. Thank you, Mr. McEwen.

The gentleman from Texas, Mr. Hall.

Mr. **Hall**. Thank you, Mr. Chairman.

Miss Starbuck, you always put it on the top shelf, and this is no exception today. You did great.

I was just thinking here a moment ago about the differences in World War I returnees and World War II. I recall in World War II when I got out I got—I forget how much money they paid us when we were discharged. Then after we got out we started to school under the GI bill. I think they paid single veterans $65 a month and married veterans $90. Is that correct? I'm drawing on memory now.

Miss STARBUCK. That's roughly correct.

Mr. HALL. When a World War I veteran was discharged, what did that veteran receive in cash?

Miss STARBUCK. Sixty dollars, sir.

Mr. HALL. Just $60 and a trip home, I guess, or just $60?

Miss STARBUCK. Just $60, sir.

Mr. HALL. Was there any other benefit of any kind available to a World War I veteran other than the $60 payment when he was discharged?

Miss STARBUCK. Not immediately, but as the Congress has acted, the World War I veteran, of course, is eligible for compensation for service-connected disability, for pension, providing eligibility is established. Of course, he has hospital care available to him, or to her. There was an insurance program available to World War I veterans and, as you know, all of the remaining insureds holding World War I insurance are no longer required to pay premiums on that insurance, although the remaining group is somewhat small.

Mr. HALL. Wait. Repeat that. On the life insurance——

Miss STARBUCK. On the World War I life insurance, as of January of this year, the insureds under that program are no longer required to pay premiums.

Mr. HALL. What is the face amount of those insurance policies?

Miss STARBUCK. I believe the average of that is somewhere in the vicinity of about $7,000, as an average in the population.

But that is paid up. The fund is healthy enough that no one need longer worry about that insurance expiring.

Mr. HALL. How much were the premiums on those policies prior to January 1 of 1983, on the average?

Miss STARBUCK. I don't have the exact figure, sir, but the investment in the funds had become really so healthy that we were refunding in dividends to the World War I veterans almost the same or a greater amount than he was paying in premiums.

Mr. HALL. Well, that was true with World War II veterans, too, wasn't it, until several years ago when this premium started escalating?

Miss STARBUCK. On any term insurance policy for World War II, the increase is every 5 years. There are thousands of World War II veterans who still hold level pay life and consequently have escalated premiums.

Mr. HALL. Using the figure that we mentioned a moment ago of 320,000 veterans still living, and dying at the rate of about 75,000 a year, if at the end of 7 or 8 years those veterans are dead, do we know, do we have any type of an estimate of how many widows would still be living at that time, or do we know how many wives are living at this time of those 320,000 veterans?

Miss STARBUCK. We have roughly 530,000 that would be estimated for this next year——

Mr. **Hall**. Wait, 530,000——

Miss **Starbuck** [continuing]. Surviving widows, yes, sir. These ladies, of course, would have a fairly high mortality rate and roughly, in 7 or 8 years, there would probably be no more than 250,000 surviving spouses.

Mr. **Hall**. So we are talking about roughly in 10 years all of the veterans would be dead and, by and large, all of the surviving spouses would in all likelihood would be deceased?

Miss **Starbuck**. The population would be very small; yes, sir.

Mr. **Hall**. Thank you very much.

Mr. **Applegate**. Thank you, Mr. Hall.

The gentleman from Mississippi, Mr. Montgomery.

Mr. **Montgomery**. Thank you, Mr. Chairman.

Looking out in the audience, I see Colonel Houston. We're always certainly glad to see him, and Floyd Henderson, who is from North Dakota, who I had the privilege of seeing when I was out in his State several months ago, and also Mr. Sprague, it is good to see you again. I'm sorry I can't recognize all you gentlemen as I haven't seen you in several months.

Mr. Chairman, what I have to do as chairman of the full committee is see where we can best spend the limited amount of funds allocated for veterans programs. What we are discussing today certainly has merit to it. We also have the jobs bill up today for the Vietnam veteran. We also have the mortgage bill that is pending for all veterans. And then we have Agent Orange, as you are familiar with, which was voted out of this subcommittee. It is really just kind of a matter of what the Members on this subcommittee thinks are a matter of priority.

But I would like to show for the record that, within the restraints of the budget, we have tried to do as much as possible for the World War I veteran and their dependents. We are trying to give priority to the World War I veteran on hospital care, on drugs, which is very important, and also on outpatient clinic care. This committee added the $800 a year for pensioners of World War I because the cost of living increase is about $1,200 a year additional over the other veterans of World War II, Korea, and Vietnam that are drawing these pensions.

So it is really just a matter of where do we find the money, how we get it. These are expensive bills that we are considering, so that is where the priorities will have to come. Do we cut back on hospital care; do we cut out drugs; do we cut back on compensation? That's one of the problems you are going to have to face as chairman of this subcommittee. Yes, this has merit to it, but how do we handle it?

We had to beg and pull to get enough moneys to take care of our hospital care for fiscal year 1984. The World War II and Korean veterans are having problems on acute care. These things are coming upon us. It is just a matter of how we best handle ourselves. You have a lot of that responsibility.

Mr. **Applegate**. Thank you, Mr. Chairman. I appreciate your remarks and your sensitivity to the financial difficulties and the hard decisions that we are going to have to make. There is no question about that. I guess what we are looking at is what we consider to be fair and just what position in the level of priorities we have to place fairness over budget constraints. They aren't going to be easy decisions. But we are supposed to be responsible people and we will be able to deal with them in a responsible manner.

Mr. Martinez.

Mr. MARTINEZ. I would have just one question for Miss Starbuck. It sounds like you have a real good grasp on what the net result of the passage of this legislation would be.

Let me ask you, in terms of what Mr. Applegate just said, about being fair. I am getting the impression, from what I have heard in listening to Mr. Hall, that there is a consideration of what the World War I veterans received in terms of benefits as compared to what the World War II veterans received. After World War I, were there a great number of years where the World War I veteran received no benefits at all?

Miss STARBUCK. No, Congressman Martinez, there were not.

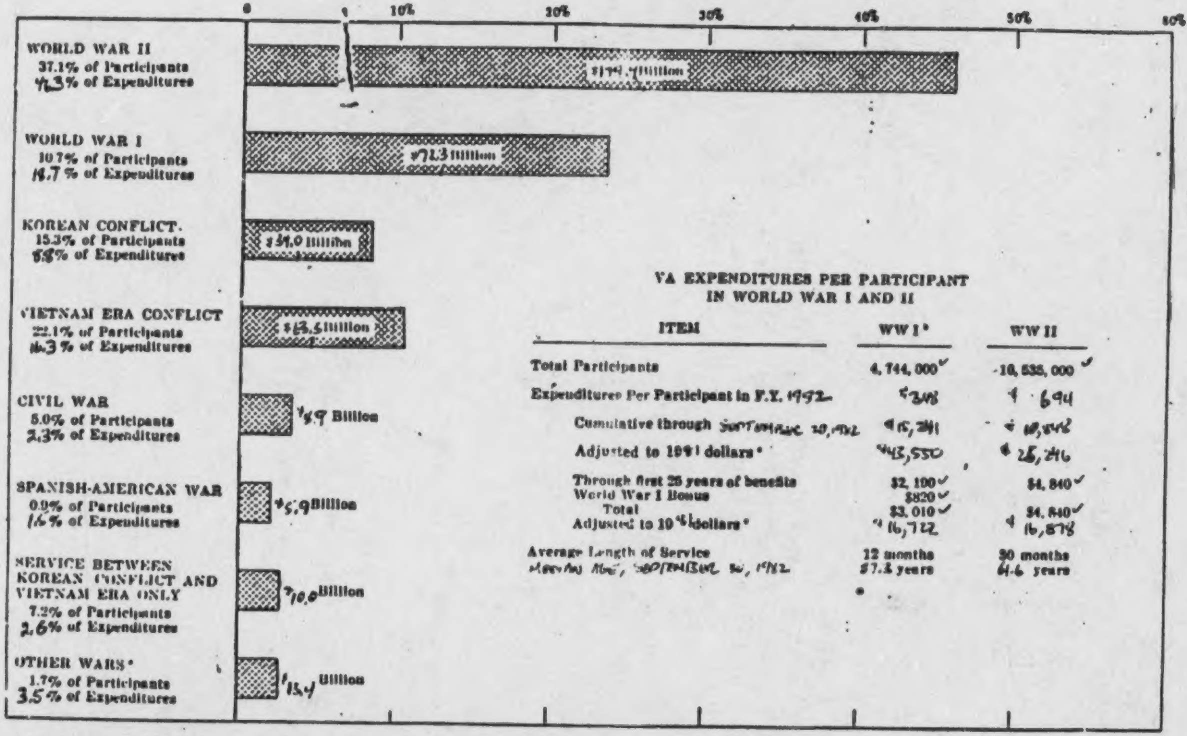
Mr. MARTINEZ. They always had had a consideration for the service they had given, some kind of benefits. How do those percentages compare to what the World War II veterans got, does anybody know?

Miss STARBUCK. Well, roughly, the percentage of World War I veterans to whom benefits were paid represents roughly 11 percent of the total veterans for whom benefits have been paid. Since World War I, the Veterans' Administration or its predecessor agencies in serving veterans of World War I have expended a total in excess of $72 billion in the provision of benefits to World War I veterans and their survivors.

[The Veterans' Administration subsequently submitted the following information:]

VA EXPENDITURES FROM APPROPRIATED FUNDS BY WAR

THROUGH SEPTEMBER 30, 1982



VA EXPENDITURES PER PARTICIPANT IN WORLD WAR I AND II

ITEM	WW I*	WW II
Total Participants	4,744,000✓	10,535,000 ✓
Expenditures Per Participant in F.Y. 1982	$348	$ 694
Cumulative through September 30, 1982	$15,241	$ 16,848
Adjusted to 1981 dollars*	$43,550	$ 25,246
Through first 25 years of benefits	$2,190✓	$4,840✓
World War I Bonus	$820✓	
Total	$3,010✓	$4,840✓
Adjusted to 1981 dollars*	$16,722	$ 16,878
Average Length of Service	12 months	30 months
Average Age, September 30, 1982	87.2 years	64.6 years

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* Includes War of the Revolution, War of 1812, Mexican War, Mexican Border Period, Indian Wars and Regular Establishment.

* Estimated; includes $3.8 billion from adjusted service certificate fund (WW I Bonus).

* Basis of adjustment. Bureau of Labor Statistic Consumer Price Index, 1967 = 100.

Mr. **Martinez**. But you have no way of knowing in terms of percentage or some equation what the World War I veteran received in benefits compared to what the World War II vet or the Korean vet received?

Miss **Starbuck**. I think it is clearly felt and historically proven that the veterans of World War II received, in addition to the compensation or eligibility for compensation or pension, had the GI education bill available to them, and also had loan guarantee benefits available to them, and those benefits were enacted by Congress and were certainly supported by members of not only the Congress but the population at large, of persons who had served in World War I, who felt an obligation to provide those benefits to the persons who served in World War II.

Mr. **Martinez**. Actually a lot of benefits that were gained by the World War II vet were actually fought for by the World War I vet?

Miss **Starbuck**. That would be a correct statement, sir.

Mr. **Martinez**. And the consideration has never been questioned about those benefits that the World War II vet received.

Miss **Starbuck**. Well, there have been, sir, by veterans of Korea and Vietnam, who felt that the World War II veteran was better treated. I guess that's just a very natural tendency on the part of differing generations to take exception to those things that were given to another generation.

Mr. **Martinez**. Thank you, Mr. Chairman.

Mr. **Applegate**. Thank you, Mr. Martinez.

Miss Starbuck, do you have any figures as to how many States gave bonuses to the veterans of each of the wars?

Miss **Starbuck**. Not immediately, sir, but if you wish, I am sure that information is available and I would be happy to provide it for the record.

Mr. **Applegate**. Yes, I think I would like to have that information. I know there have been various bonuses, Vietnam and Korea and World War II. Again, I don't know what was done by any of the individual States with regard to the World War I veteran.

Miss **Starbuck**. I would be happy to have that researched and provided for the record, sir.

[Subsequently the Veterans' Administration furnished the following information:]

> A bonus was paid to World War I veterans by 21 states, to World War II veterans by 26 states, to Korean veterans by 21 states and to Vietnam Era veterans by 20 states. The sources of this information are the various editions of House Committee Prints entitled "State Veterans' Laws."

Mr. **Applegate**. Thank you.

Mr. **McEwen**. Mr. Chairman?

Mr. **Applegate**. Mr. McEwen.

Mr. **McEwen**. Miss Starbuck, could you share with me again the total cost you estimate for H.R. 1918?

Miss **Starbuck**. For H.R. 1918, we estimate a 5-year cost of slightly more than $5 million.

Mr. **McEwen**. That's where I think our trouble is. Is that with a "b" or with an "m"?

Miss **Starbuck**. I beg your pardon?

Mr. **McEwen**. Is that with a "b" or with an "m"? Is it $5 million?

Miss **Starbuck**. Five million—excuse me, it is billion, with a "b". I'm sorry.

Mr. **McEwen**. Thank you very much.

Second, in response to my question concerning the bonus army, I just completed reading the testimony by Mr. Houston, legislative director for the Veterans of World War I, in which he articulates the entire situation. I think you might want to pick up a copy of that testimony before you leave. I found it most enlightening and most beneficial.

Thank you, Mr. Chairman.

Mr. **Applegate**. Thank you, Mr. McEwen. I wish it was $5 million. We could forget principle and move right ahead.

Miss Starbuck, thank you very much. Again, we certainly appreciate your being here. You always enlighten us with your knowledge of veterans' affairs and we appreciate your participation.

Miss **Starbuck**. Thank you very much, Mr. Chairman.

Mr. **Applegate**. Yes, Mr. Anderson?

Mr. **Anderson**. Mr. Chairman, could I have a couple of minutes? I have another committee meeting to attend.

Mr. **Applegate**. You certainly can, sir.

Mr. **Anderson**. I wished you would have asked me some of the questions that you asked them. I have just been sitting there on pins and needles.

The tenor of your questions seemed to be how much it was going to cost and where the money was going to come from. I wanted to make it clear that we don't make money out of wars, they don't pay for themselves. You can't assess something and say how much do we have to go to veterans' pensions or whatever it is. This is probably the No. 1 priority thing that comes out of a general fund. You pay general taxes, and what you owe your servicemen that has to come out of that.

They always seem to raise the question that, when it comes to something for a veteran, however, they always say we don't have enough money there. It just kind of tickled me, that a couple of days ago I put an article in the Congressional Record on our PIK program. That comes out of the same general fund. It is going to cost us $12 billion. We didn't make any commitment for that. Yet, you know who is getting the money out of that? Shell Oil Co. gets $2.5 million—I put in a list of 50 little farms in my State that get money out of the PIK program. I didn't pick your States; I picked my own. In there I said 50 farms get a million apiece out of the general fund. Shell Oil gets $2.5 million—that's one of the farms; Chevron gets over half a million; Bangor Punta gets $3.6 million; Tenneco gets $1.7 million; Superior Oil, Standard Oil, right on down the line. When we talk about something like that, nobody ever questions where the money is coming from and we voted it in. It so happens I was the only Congressman who voted against the PIK program—and I'm quite pleased about it.

Our Government price supports comes out of the same general fund. It is costing us $21 billion this year just to keep prices up. Yet we don't have money to pay our debts to the veterans. We owe this money to them. This is something that we owe them out of the general fund.

The idea of saying we don't have enough money there, or we've got budgetary restraints—well, if they do have budgetary restraints, why don't we have them on foreign aid and price supports and PIK and missiles and everything else? We always seem to have enough money for that—and I voted for the MX a couple of weeks ago. We seem to have money for various things.

But then when it comes down to a pension—and I don't like this idea of saying just needs, you have got to prove a need, that these veterans have to prove they need the money, or they're disabled. I think that a veteran who served his country and is not in need and is physically disabled is entitled to something, too. This is something that they earned. The thought of saying you're not poor enough, or you're not crippled enough, you aren't qualified, I think that is wrong.

I think this is something that we owe these people, and if we can get money for other things, as those I mentioned—and I can give you many more—if we can get money out of the general fund for PIK and foreign aid and all that, we can surely take care of the veterans of World War I.

Thank you very much.

Mr. **Applegate**. Thank you, Glenn. You know how to drive a point home. I thought that was well done. Thank you for your additional information.

Mr. **Anderson**. I do have to get back to that committee that you said I'm on. I have to leave right now. Thank you very much.

Mr. **Applegate**. Next we are privileged to have with us Mr. E. L. Sprague, National Commander of the Veterans of World War I, and Col. Herbert Houston, and a group of others. Would all you gentlemen and any of the ladies come forward and sit at the witness table.

STATEMENTS OF E. L. SPRAGUE, NATIONAL COMMANDER, VETERANS OF WORLD WAR I OF THE UNITED STATES OF AMERICA, INC., HERBERT M. HOUSTON, LEGISLATIVE DIRECTOR, AND JOHN W. STOVER, NATIONAL SENIOR VICE COMMANDER

Mr. **Sprague**. I am E. L. Sprague, National Commander of the Veterans of World War I. Colonel Houston, our legislative director, will talk to you about our desires on the legislation.

But first I would like to express our appreciation to Congressman Anderson and Congressman Hall for their remarks at this meeting. I would like to add a few little remarks of my own that I picked up and wanted to make since the hearing started.

I am reminded about 20 years ago I was on a committee in Washington for legislation for World War I. At the time we were fighting a discharge petition to get a bill out of this committee. I don't suppose there's many of you here that remembers that far back. But at that time there was a member of the Veterans' Affairs Committee organization that made the remark that "when you get fewer veterans, you will have a chance to get a general pension bill put through for the World War I veteran."

I would like to pose a question on that: Due to the fact that, as we have mentioned, there is probably less than 300,000 World War I veterans in existence, and at the rate they are passing on, we don't figure there is much over 4 or 5 years that we are going to be able to have any veterans. The strange part of it to me is that only 40 percent of those 300,000 veterans are drawing a pension.

I was interested in the statistics of the Veterans' Administration, that in January they interviewed 2,300,000 disabled veterans, which, of course, would have been mostly later years than World War I, but the amount of those that were not drawing any pension or disability. They was questioning them because they were disabled. It was surprising how many of them just didn't think they were entitled to a pension. I think there is a lot of us in the same boat, as we have about 60 percent of our veterans that don't draw any pension. I don't expect, if you pass this legislation that we would like to have, that there would be 50 percent of the veterans that would be taken up with it. It is just the principle that we want a World War I pension with a majority of the members.

I will turn this over to Colonel Houston to go into our legislative program.

Mr. APPLEGATE. You may go right ahead, Colonel Houston. Thank you very much, Mr. Sprague.

Mr. SPRAGUE. Thank you.

STATEMENT OF COL. HERBERT M. HOUSTON

Colonel HOUSTON. Mr. Chairman and members of this distinguished committee, it is a pleasure for us to have this honor of appearing before you representing the Veterans of World War I of the United States of America, Inc. and its auxiliary concerning our priority legislative program.

My name is Herbert M. Houston. It is my privilege to serve the men and women of the Veterans of World War I of the United States of America, Inc., as their National legislative director.

First let me state that we are pleased to see many of our old friends, and the friends of all veterans, on this committee who have chosen to continue to serve on this committee, and it is a pleasure to meet the new members of this body.

Please permit me the opportunity to say, as one who has appeared before this committee for many years, that certain faces are now absent from the membership of the committee, and it brings a sense of sadness, a reminder that Father Time continues to take his toll.

Permit us to commend the committee for advancing the many bills so beneficial to the veterans of all wars, their dependents and survivors, which have become laws in the past. I would not want to appear so remiss as to fail to commend the staff of the committee for their courtesy at all times and their patience in assisting the old soldiers in their quest for information.

Mr. Chairman, the Veterans of World War I are very conscious of the economic situation confronting our nation today, and having a record of patriotism for more than 6 decades, they would not concur in, nor support expenditures except for a high priority. They are also aware of the impelling moves for retrenchment not only of current legislative expenditures, but to also renege on commitments previously made. This judgment evidently appears logical to those whose concern is obviously only fiscal, unless perhaps they are distant relatives of "Ebenezer Scrooge" and unaware of the needs of those less fortunate than themselves. Our members remember and become more increasingly aware of a high priority that dates back more than 60 years, that has not been met by the Government.

The failure to respond to the highest priority facing the U.S. Government at the close of World War I was, in our judgment, a contributing factor in bringing on the greatest depression this Nation has ever experienced.

History has proven over and over through the years that when the concern of the people is not paramount, the Nation is in peril. The Nation has prospered during the World War I years and, unfortunately, failed in providing leaders capable of leadership with the return of peace. The Government tried to continue a business-as-usual manner after the close of the war, obviously oblivious of the nearly 5 million returning service personnel who must now be merged into the society of the Nation.

The Government had called them away from school, their jobs, their homes, trained them, and sent them overseas, a bewildering experience uprooting them from all they had known before. In returning to their homeland they found it was a new experience, as confusing as the war had been. Now they were strangers in their own homeland, with no jobs, and no way to get one.

During the early twenties the Congress passed a law authorizing the Adjusted Service Certificates, providing $1 per day for home service, and $1.25 per day for overseas service, payable in 20 years. This was a disappointment to the veterans and meaningless unless turned into cash.

The business-as-usual began to fade as the veterans began calling on industry for jobs, which they could not provide because these same veterans who were jobless could not purchase the products of industry. For the lack of leadership, the nation sank into a nation of jobless millions who soon became hungry and homeless, a seething bubble apparently ready to burst.

There were no food stamps in those days. There were no unemployment payments. There were soup lines, flophouses provided by churches, the Salvation Army, and other agencies. The young veterans starting to raise their families were deprived of the opportunity of buying a home because there was no GI bill for them. Soon they became wandering, homeless vagrants, finally resulting in the Bonus March on the Nation's capitol seeking some assistance from their Government. They remembered that they had been awarded adjusted service certificates back in the twenties, payable in 1945. They wanted to know why they couldn't have the payment made then.

During the summer of 1932 the veterans of World War I, some with their wives and small children, began to gather in Washington, D.C., protesting because they wanted their adjusted service certificates paid then instead of the 20-year maturity date. They were jobless and could not find work, homeless, and there was no GI bill to enable them to buy a home.

The history of the Bonus March is recorded by the national news media throughout the nation and may be found in our libraries as our most shameful hour. The callous attitude of the Government, coupled with the brutal treatment while in Washington, could have been avoided if the Nation only had leaders concerned in human welfare. It is obvious to anyone who would only think. It was not that the Nation could not render the assistance these veterans needed. The Government could have, except that they considered business as usual as the first priority, with veteran assistance at the bottom of the list of priorities.

This was the last dramatic effort to bring before the Nation the need of assistance by the Government for the veterans of the First World War. The adjusted service certificates were eventually paid prior to the date of maturity, the average being $547.50. All World War I veterans, male and female, with over 60 days of service were eligible who did not have rank in the Army and Marines above captain, and in the Navy, seaman and yeoman, up to and including the rank of lieutenant. The World War I veteran received $60 upon discharge, and for those receiving the adjusted service certificate, the $60 was deducted from the amount of the certificate when it was paid.

This was the end of entitlements for World War I veterans until December 30, 1979, when Public Law 96-151 was passed, the Veterans Health Programs Extension and Improvement Act of 1979.

With the passage of Public Law 96-151, the World War I veteran could enter and receive treatment from the Veterans' Administration hospital for the first time without signing a pauper's oath since the passage of the act of March 20, 1933. This act repealed previous legislative acts pertaining to World War I veterans on disability ratings and pension. The act also established the need clause for nonservice-connected veterans. This language merely expresses a welfare system for uniform service personnel.

The Veterans of World War I of the United States of America, Inc., do not criticize the need for this type of pension for those in need. We find that Moses, in writing the Book of Deuteronomy, 15:11 reminds the ancient Hebrews that "For the poor shall never cease out of the land."

This pension is essential and evidently is intended to follow any other entitlement provided by the Congress as needed. This is evidenced by the veterans of World War II and the veterans of other wars subsequent to World War II who are now receiving this nonservice-connected pension after having received their entitlement under the GI bill.

Mr. Chairman and members of the committee, the Veterans of World War I of the United States of America, Inc., respectfully call to your attention the provisions of chapters 31, 32, 33, 34, 35, 36, 37, 41, 42, and 43; sections 1501, 1601, 1650, 1701, 1770, 1801, 2001, and 2021, all authorizing entitlements to veterans of specified wars. None of them authorize an entitlement for the veterans of World War I.

After having been authorized the entitlements specified and after having experienced the privilege of participating in the benefits provided, these veterans may and are eligible to receive a nonservice-connected pension, if they meet the need requirements.

The above records of legislative entitlements of benefits authorized for veterans of World War II and subsequent wars are brought to your attention as evidence of the discrimination of the World War I veteran.

We are before you today, Mr. Chairman, asking for the enactment of a bill introduced by Mr. Hall of Texas, H.R. 2735. There are a number of bills submitted for your consideration. However, this is the only one meeting the criterion our organization's legislative committee felt we could, in keeping with our national convention mandate, support.

If I may divert from the printed statement, Mr. Chairman, in reviewing the questions concerning what kind of a bill we should present to the Congress for this year, I had this statement from several World War I veterans: "Get what you can, even if it's one dollar." It's the principle that is involved. I repeat in my statement here that the World War I veteran feels like he has been relegated to a second-class citizen, he has for all these years. Now I shall continue.

The need for such a bill is a matter of principle with the Veterans of World War I. Inasmuch as the Congress has followed the rehabilitation type legislation—such as the GI bill—it appears to be the norm in veterans entitlements, beginning with World War II and following in subsequent wars. Realizing that there is no part of that program of entitlements that could be applicable to the World War I veterans, only a substitute entitlement could apply in this circumstance to remove the veterans of the First World War from the discriminated category and restore them to the dignity they deserve.

In this instance we ask that an exception be made and that the substitute be the restoration of the service pension as followed from the Revolutionary War, the War of 1812, the War with Mexico, 1840, the Civil War, 1860's, the War with Spain in 1898, inclusive, and that the entitlement of the service pension in this case be in lieu of the benefits provided under the GI bill.

Primarily this bill would serve as a symbol of recognition. The World War I veteran has been spoken of across the Nation for four decades as the forgotten veteran.

The veterans of World War I worked diligently through the Veterans of Foreign Wars and the American Legion—they were the Legion when the first GI bill was passed—for the passage of the first GI bill. After the passage of the GI bill for World War II veterans, the organization of the Veterans of World War I of the United States of America, Inc., was organized. Since then, they have worked for the passage of the GI bill for each of the other wars, the Korean and Vietnam war veterans.

I would like to depart from my printed statement to make this comment, Mr. Chairman. In what I call my rogue's gallery, I have a plaque on the wall with three pens in it. One of them was when the President signed the GI bill for the Korean veterans, in which we testified; another one was for another needs clause pension bill; and the third one was for the Vietnam veterans. Our organization was on record as testifying in favor of the passage of that bill. I shall continue.

Second, the passage of this bill would complement Public Law 96-151 to elevate the status of the World War I veterans, comparable to that of the veterans of other wars. The passage of the first

GI bill had relegated the World War I veteran to that of a second-class veteran. The passage of this bill will help restore that lost prestige.

Another significant aspect is that the passage of this bill would place the World War I veteran in the same category as the Spanish American War veteran in years past. They would both have an entitlement of a service pension. However, if it would work to the advantage of any veteran, they would have the option of electing to choose the pension law now in effect.

Mr. Chairman and members of the committee, we appreciate very much the opportunity of appearing before you and of appealing to you for your earnest consideration of our presentation and the hope of forwarding our appeal to the next step in the process of H.R. 2735 becoming law.

Respectfully submitted, Herbert M. Houston.

Mr. APPLEGATE. Thank you very much, Colonel Houston, for a very eloquent statement and one that has taught me a great deal of history about veterans affairs, particularly those of World War I veterans. It has been a privilege for me to have had the opportunity to work together. I look forward to a long working relationship.

I notice on page 6 you were saying the passage of the first GI bill had relegated the First World War veteran to that of a second-class citizen. The passage of that, as I understand, was brought forth in large part successfully due to the tremendous support that the millions of World War I veterans gave the World War II veterans in order to achieve this. Is that correct?

Mr. SPRAGUE. Right.

Mr. APPLEGATE. Why didn't the World War I veterans at that time have themselves included in that bill?

Colonel HOUSTON. That is a good question, Mr. Chairman, and one that in my working with this organization for 20 years have heard over and over again—why didn't we have sense enough to include ourselves in the bill we were fighting for. But we didn't. We were more concerned with the returning veterans of World War II not having the hardship that we faced.

When you would go down the street you would see a man on one corner selling apples, on another corner a man selling pencils. There were no jobs. We didn't want to see that for the returning World War II veterans. There was no availability for any of the things that we now take for granted for the return of World War I veterans.

So our own action, as a body of men and women, in lobbying for and seeking the benefits of the GI bill, we found ourselves relegated to an inferior social strata because none of this was available to the World War I veteran.

We are proud that they were getting it; we're just sorry we didn't include something for ourselves as a generation. I hope that answers your question.

Mr. APPLEGATE. Thank you, Colonel. I appreciate that very much.

You had stated it has become really a matter of principle more than anything else, and that regardless of what kind of a package, the veterans of World War I would like to see something passed.

Colonel Houston. May I make one statement that I should have made at the beginning?

Mr. Applegate. Yes.

Colonel Houston. There are three categories of World War I veterans: The ones who are in the greatest need for a pension, the poor; there is a category above that that makes too much money to draw a pension and don't make enough to live on, and that is the greatest need in this country today from coast to coast.

Then there is that infinitesimal group that, every time we mention a pension, someone says we're asking for pensions for millionaires. There is that little thin line of people who don't have to worry about funds.

But I would point out—and this sticks in the craw of all World War I veterans—there was no needs clause applied to the GI bill. A tenant farmer's son could apply for it, or a millionaire's son or daughter could apply for it. There was no needs clause applied. So the veteran of World War I was discriminated against in that regard, and so it took some time before he could let it soak in and feel it. When he did—the bulk of them can't come up here and talk to you gentlemen. They don't have clothes sufficient to come to Washington. They wouldn't know what to say if they came. But they look to us, who have had a little more opportunity than they may have had, to come and ask you gentlemen to restore the prestige that they feel they need and give them as an issue of principle something before they die.

There are 4 million, and more than 100,000 already gone. There only a few of us left. If you act on principle, these arguments of the computer and statistics that the Veterans' Administration so ably shell out, they're fine for bookkeeping, but they are mighty poor conversation when you're talking to these groups of people that we deal with.

Thank you.

Mr. Applegate. Thank you very much.

The gentleman from Ohio, Mr. McEwen.

Mr. McEwen. Thank you, Mr. Chairman. I certainly want to express my appreciation for your appearance and testimony this morning. Had I not been a cosponsor of this legislation ever since my coming to Congress, I certainly would be as a result of what you have shared this morning.

Colonel Houston, in your description of the bonus march, may I ask, were any of the three of you in attendance there? Did you participate in that in any way?

Mr. Sprague. No.

Colonel Houston. All we have to depend on is the record of history. I have a file of newspapers. I have been somewhat of a historical buff. I used to teach history and I collected newspapers from around the country. They have quite a file on that from coast to coast. It doesn't paint a good picture of our country.

Mr. McEwen. I thank you very much.

Mr. Applegate. The gentleman from Texas, Mr. Hall.

Mr. Hall. Where did you teach history?

Colonel Houston. In high school.

Mr. Hall. Where?

Colonel Houston. Tennessee.

Mr. **Hall**. What has been your profession over the years?

Colonel **Houston**. I had a varied profession. I was a teacher and was quite a number of years in the Army, Mr. Hall. I was in the Marine Corps in World War I and in the Army in World War II, and for awhile before and after.

Mr. **Hall**. You had a very profound statement here today and there is nothing I can add to what you said.

I yield back the balance of my time.

Mr. **Applegate**. Thank you, Mr. Hall. I agree.

Mr. Martinez.

Mr. **Martinez**. I would like to ask you the question because you were there. When the World War I veterans came back, and it was explained here they received $60, aside from that bonus, what was available to the World War I vet at that time?

Colonel **Houston**. Frankly, Mr. Martinez, nothing. There was no businesses able to absorb them and give them a job. The Government turned a cold shoulder against them. As was mentioned in previous testimony, when the adjusted service certificates was passed, it was vetoed twice before it finally became law. Even after it was passed and became law, it wasn't available to them for 10 years.

Mr. **Martinez**. What did they get in terms of dollars?

Colonel **Houston**. $60.

Mr. **Martinez**. That's the $60 they were talking about. So they actually didn't get it on just——

Colonel **Houston**. The $60 was paid on discharge. But the payment of the adjusted service certificates was not paid for 10 years later.

Mr. **Martinez**. What was that in terms of dollars?

Colonel **Houston**. That was at the conclusion of the bonus march. They forced the issue by this disasterous episode here in the Nation's Capital, which is a shame to our Nation, as we all know and regret. However, it did force the issue and the Congress finally passed the law to pay off the certificates.

Mr. **Martinez**. I guess what I'm trying to get at, except for maybe medical benefits received for service-related injuries and disability, really the World War I veteran didn't cost the Government anything for a great number of years?

Colonel **Houston**. That's right, except those who were disabled, the service-connected. They did have access for treatment.

There was another story involved there that was not very pleasant. For the nonservice-connected, as I stated in the paper, the only way he could get treatment was by signing a pauper's oath, that he was a pauper and couldn't pay for his treatment. That didn't suit, and never has, and still doesn't, it doesn't fit very well into the thinking of the World War I veteran. That's why we emphasize that this is a principle that we're fighting for just as much as it was whenever we landed in France in June 1917.

Mr. **Martinez**. You feel it is a responsibility that the U.S. Government owes the veterans.

I seem to agree with Congressman Anderson, that oftentimes when we want to ignore our responsibility, we just simply say it costs too much.

I thank you.

Colonel Houston. I perhaps didn't cover it as much as I felt it. In each of these cases, when the World War I veteran asks for pensions, they said they couldn't afford it. When they asked for the adjusted service certificate, the Government took the attitude that it couldn't afford it. All during those years—and permit me, if I may, just one other thought.

I was with a group of men traveling in a foreign country just a few years ago, and we were riding over a good road between Damascus and Jerusalem. Some comment was made about this good highway through this desert. A South African spoke up and said, "You ought to be proud of it; your money paid for it." That was the money that was loaned to a foreign government at the time when they told us there was no money available for the returning veterans. But there was money available for foreign loans. That is another thing that our membership hasn't forgotten.

Mr. Applegate. The gentleman from Indiana, Mr. Burton.

Mr. Burton. I have no questions, Mr. Chairman.

Mr. Applegate. Thank you.

Gentlemen, thank you again very much, as Mr. Hall said, for a very profound statement. We appreciate your appearance. Mr. Stover, I am looking forward to working with you during your tenure as national commander. We will look forward to working with you in the coming years, too. Thank you very much for being here.

Mr. Stover. Thank you, Mr. Chairman. It has been a privilege and an honor for me to appear before this august body of the subcommittee. I am here as an observer. The next time I come here, with the help of the good Lord, I will be the national commander of this great organization of Veterans of World War I of the USA, Inc. Thank you.

Mr. Applegate. Thank you.

Yes, Mr. McEwen.

Mr. McEwen. Mr. Chairman, let me say I trust you gentlemen will never have to come before this committee in support of this legislation again. Thank you very much.

Colonel Houston. Mr. Chairman, I think it's obvious, but this gentleman is an old Army first sergeant Did you notice the voice? [Laughter.]

Mr. Applegate. Yes; I could tell that. He spoke with authority. But he is also an Ohioan and that goes along with that.

Thank you. It's good to see you this morning.

I have a note here which says we have received statements from the Military Order of the Purple Heart and the Jewish War Veterans indicating their support of a separate pension for World War I veterans. Without objection, these statements will be made a part of the record.[1]

Mr. Applegate. Next we have Mr. John Sommer, another old friend, deputy director of the National Veterans Affairs and Rehabilitation Commission for The American Legion, and Mr. Paul Egan, the deputy director of the National Legislative Commission. It's good to see you both.

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[1] See p. 56.

STATEMENT OF JOHN F. SOMMER, JR., DEPUTY DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERCIAN LEGION; AND PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION

Mr. SOMMER. Thank you, Mr. Chairman. It is always good to see you.

Mr. Chairman and members of the subcommittee, the American Legion appreciates this opportunity to present its views on legislation that would provide a special pension to the veterans of World War I.

Mr. Chairman, we will address H.R. 1369, introduced by you on behalf of the Legion, and for which we are sincerely appreciative.

The American Legion owes a great debt of gratitude to the veterans of the First World War, as these valiant individuals founded this organization in 1919 following the hostilities of that war and developed and nurtured the programs which have been responsible for the Legion becoming the largest veterans organization in the world.

In consideration of this, and the fact that World War I veterans did not have available to them the generous programs provided for later generations of veterans, the delegates to the last five national conventions of the American Legion have approved resolutions calling for this organization to sponsor and support legislation which would establish a special pension program for the World War I veterans. As a result of resolution No. 282 of the 1982 national convention, draft legislation was prepared, submitted to this committee, and introduced by you as H.R. 1369.

This measure would authorize the payment of $150 per month to each eligible veteran who is unmarried—or married but not living with and not reasonably contributing to the support of such veteran's spouse—and has no child, and whose annual income does not exceed $8,000. If the veteran is married and living with or reasonably contributing to the support of a spouse, or has a child or children, and the annual income does not exceed $10,000, pension would be paid to this veteran at the monthly rate of $150.

The pension provided by our proposal would be paid without regard to any income of any kind payable to the spouse, or the corpus of estate of the veteran or the spouse.

Any veteran of World War I who would be eligible for pension under section 521 or any other section of the title would, if he or she elects, be paid such pension, and if benefits were paid pursuant to such an election, the election would be irrevocable.

In consideration of their dauntless service to country during the terrible ordeal of the First World War, their faithful support of this Nation throughout all of its tribulations since that time, and their unselfish support for improved benefit programs for later generation of veterans, we of the American Legion believe it is time to provide this measure of special protection to the veterans of World War I.

The program proposed in H.R. 1369 is, we feel, a modest one. It is within the bounds of fiscal possibility and would be a modest gesture to assure these proud and respected veterans a certain measure of economic security.

Mr. Chairman, that completes our summary.

[The prepared statement of Mr. Sommer appears at p. 57.]

Mr. **Applegate**. Thank you very much, Mr Sommer. I appreciate your testimony before the committee this morning on H.R. 1369.

I will just go ahead and call upon the gentleman from Ohio, Mr. McEwen, for any observations or questions he may have.

Mr. **McEwen**. I have no questions, Mr. Chairman, thank you.

Mr. **Applegate**. Mr. Hall.

Mr. **Hall**. One question has been brought to my attention since arriving here, Mr. Sommer. Your bill, H.R. 1369, would not provide for the widows of veterans; is that not correct?

Mr. **Sommer**. That's correct, sir.

Mr. **Hall**. Why?

Mr. **Sommer**. The delegates to our national convention who have developed and approved our resolutions have felt the American Legion should provide a measure which would honor those veterans of the First World War and those veterans who, as I mentioned, formed the American Legion and would still have a possibility of being approved by Congress, particularly in this climate of fiscal austerity that we're present faced with. Therefore, they developed this proposal.

Mr. **Hall**. Do you know of any other legislation dealing with veterans where the widows of the veteran are not taken care of or protected in the event of his death?

Mr. **Sommer**. No, sir. However, we also have not seen in recent years a type of pension legislation which dealt with the veterans of one war era. Public Law 95-588 was the improvement of the pension program that existed prior to that time. Of course, it was for all veterans. It did address the surviving spouses and children of the veterans. However, as I mentioned, this is for a particular group of war veterans and the reason behind the American Legion's position on this is to pay honor to this group of individuals.

Mr. **Hall**. Well, if that wife has been living with that veteran for 40, 45 years, don't you think she is entitled to some consideration?

Mr. **Sommer**. Well, this is true, sir. However, of course, we are bound by the mandates that are approved by the delegates to our national convention.

Mr. **Hall**. I understand. I mean, I'm not arguing the point, but it just looks to me like this resolution of the Legion, in talking about discrimination heretofore, it looks like it discriminates against the wife of a World War I veteran, pure and simple.

Mr. **Sommer**. Well, there was certainly no intent to discriminate against the wife of the World War I veteran when the resolution was approved.

Mr. **Hall**. If these people are getting up to the age of 85 and 90, I think it would be disgraceful not to take care of the wife. Don't you agree—off the record?

Mr. **Sommer**. Of course, in many——

Mr. **Hall**. Or on the record.

Mr. **Sommer**. In many instances, if——

Mr. **Hall**. I won't put you on the spot.

Mr. **Sommer**. No, I would like to reply to that.

In many instances, if——

Mr. HALL. I think you're going to have a hard time answering that question.

Mr. SOMMER. In many instances, if H.R. 1369 were approved, the surviving spouse would be eligible under the current pension program.

Mr. HALL. I am talking about the program of H.R. 1369. She wouldn't be eligible there, though, would she?

Mr. SOMMER. That's correct.

Mr. HALL. Thank you for your very good presentation and forthrightness.

Mr. SOMMER. Thank you, sir.

Mr. APPLEGATE. Thank you, Mr. Hall.

I would only say that the two sticky points, of course, would be that the widows are not affected and also the income limitations. I can understand, from the standpoint of both, it's a matter of pragmatism as far as moneys are concerned. However, not affecting the widows, it leans toward discrimination. The income limitations, of course, are something else. The argument, of course, would be that if you served, regardless of what your income is or your net value or worth, you should have a right to whatever any other veteran would receive.

However, it would eliminate the so-called "Averill Harriman" group which a lot of people like to bring up. It would keep the cost down.

Mr. SOMMER. Mr. Chairman, I would just like to add that since the enactment of Public Law 2 of the 73rd Congress, the Legion has adhered to the principle that pension should be need-related. However, you will notice that the income limitations that are included in our measure are higher than those contained under the present pension program.

I might add that the delegates to our national convention will be considering a resolution this year which I might further add came from the Department of Ohio that would increase those income limitations by $2,000, meaning the single veteran's income would be $10,000 and the veteran with a spouse or child would be $12,000. Of course, we don't know what the outcome will be. It still has to be considered by the national convention. But it was in a resolution that was approved by the Department of Ohio State Convention just recently.

Mr. APPLEGATE. Just one thing further here. I see the cost figure of $229 million for the first year, up to $782 million. What would the cost be if widows were included? Has that ever been estimated?

Mr. SOMMER. No, sir, we don't have any cost estimate on our bill. In April of last year we were asked to try to put together a ballpark figure of what our measure would cost and it is almost impossible because it is impossible to find the incomes of the World War I veterans.

However, we did come up with a figure of approximately $374 million for the first year cost. Now, this is probably an outside figure by far and it would not cost that much, but that was the best figure that we could come up with.

Mr. **Applegate**. Let me direct that to Miss Starbuck, if she might be able to furnish me with a figure as to what it would cost if the widows were included into 1369.

Miss **Starbuck**. Very good. We'll do that.

[Subsequently the Veterans Administration furnished the following information:]

We are providing an estimated cost for a World War I special pension that would benefit both veterans and surviving spouses at the same rates and income limits as H.R. 1369, 98th Congress. This estimate should not be considered precise, but of the proper magnitude only, due to limited information available regarding the World War I surviving spouse population.

	Cases	Benefit cost (millions)	Man-years	Administrative cost (thousands)
Fiscal year:				
1984	573,900	$732.9	611	$13,821
1985	500,700	632.4	447	9,524
1986	434,600	542.9	375	8,270
1987	370,400	452.7	326	7,083
1988	320,300	385.6	282	6,201

Mr. **Applegate**. OK. Thank you very much.

The gentleman from Indiana, Mr. Burton?

Mr. **Burton**. Just one comment, Mr. Chairman.

I think Mr. Sommer was saying that if they had their druthers they probably would like to give the benefits to the spouses, but what I derive from his remarks was that they were trying to look at the realities of the budget deficit this year and that the Legion was trying to accommodate the Congress in their request.

Mr. **Applegate**. Thank you. I think that's probably a very accurate and very astute observation, because whatever we're going to do we're going to probably have to shift moneys if we see the ultimate passage of any one of these particular measures.

Mr. McEwen?

Mr. **McEwen**. Mr. Chairman, I would only make one concluding observation after this testimony, and that is that I appreciate the sensitivity on the part of the World War I veterans for the discussion among the membership here on the subcommittee.

As you classified the Averill Harriman group, and while I am sure the millionaires among the surviving World War I veterans are certainly a minor percentage, I think all of us can rest assured that once we come up with a new entitlement that goes to people, regardless of their income, and begin writing Federal taxpayer checks to these people, that it will become a public issue. It is best to deal with this issue now and be aware of it and forthright and deal with it in a manner that we think is appropriate as opposed to ignoring it, because I can guarantee that it will be the center of focus after this legislation is approved by this committee.

Mr. **Egan**. May I make just one comment?

Mr. **Applegate**. Yes, Mr. Egan.

Mr. **Egan**. It is, of course, very difficult to follow the panel of witnesses that preceded us. Their statement was certainly compelling. But I think it is a mistake to say, on the heels of their testimony, that we're intending in any way to discriminate against anyone, whether it be spouses or anyone else. We have simply put forward what we consider to be a modest proposal. We think it has some equities along with perhaps some difficulties. But recognizing the current fiscal climate, it represents the wisdom of our organization.

In recognizing eligibility of spouses under 95-588, we feel that a special pension for World War I veterans should, indeed, be for World War I veterans.

Mr. **Applegate**. I appreciate your remarks, and I don't think there is really any inferences made of discrimination on the part of the American Legion. They have always represented the veterans will all equity and equality. I would commend the Legion on their actions in all that they have done over the years.

Mr. **Sommer**. Thank you, Mr. Chairman. We appreciate that.

Mr. **Hall**. Mr. Chairman, may I make one comment?

Mr. **Applegate**. Yes, Mr. Hall.

Mr. **Hall**. This Averill Harriman business doesn't bother me. I don't now how many Averill Harrimans we have, but if we've got 320,000 veterans of World War I, and you might have four or five Averill Harrimans, I would hate to see any bill knocked down—regardless of what bill we pass—just because you might have one or two people like that. I don't want to penalize 320,000 people because there might be 8 or 10 Averill Harrimans in this country. I don't think that ought to be the criteria by which we act, regardless of what we do in any of these bills.

Mr. **McEwen**. Would the gentleman yield?

Mr. **Hall**. Yes.

Mr. **McEwen**. I don't want to be misunderstood on this issue. I certainly would wholeheartedly agree with the gentleman from Texas' comments. My only response is, if three or four are involved out of this 300,000, and those three or four could be eliminated, it would save a lot of effort on the part of those of us who support this legislation if that issue would not have to be addressed every time this bill was brought up. That was my only observation. I certainly wouldn't attempt to discriminate against the remaining 300,000 because of the three or four. I would rather discriminate against the three or four for the preservation of the 300,000.

I appreciate the gentleman's comments that we don't need any discrimination at all on this issue.

Mr. **Applegate**. Well, I think you both agree, so we'll call it a draw.

Thanks again for coming.

Mr. **Sommer**. Thank you, Mr. Chairman.

Mr. **Applegate**. Next we have Col. David Passamaneck, the National Legislative Director of the AMVETS. It is nice to have you back again, Colonel.

STATEMENT OF LT. COL. DAVID J. PASSAMANECK, USA (RETIRED), NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Colonel **Passamaneck**. Thank you, Mr. Chairman, and members of the subcommittee. AMVETS, the American Veterans of World War II, Korea, and Vietnam, is proud to appear, as it has in past years, to heartily endorse a service pension for World War I veterans and their widows.

The gallant ranks of those who turned the tide on the Marne and in the Argonne Forest are thinning rapidly. Every day that passes without enactment of this minimal expression of a nation's gratitude for their sacrifices deepens an ugly scar on the character and reputation of a great people.

The World War I veteran, still in the prime of his life, fought the battle for the GI bill and almost all of the entitlements which veterans of World War II, Korea, and Vietnam have enjoyed. The World War I veteran was determined to do better by his son and grandson than he had been treated. His outstanding success in that endeavor is a shining tribute to the humanitarianism and patriotism of that magnificent generation of Americans. How ironic that now, when he is old, when he is sick, when he is dying in poverty and loneliness, without having received the benefits afforded to veterans since World War II, the World War I veteran and his widow must repeatedly have to beg this Congress for less than $200 a month to ease the stress of his last years.

The character of a nation, its will to survive, its pride in its culture, and its hopes for the future, are measured by no more exacting standard than the way that nation cares for its war veterans. I would not want to judge this Nation according to how the World War I veteran and his widow have been treated thus far.

AMVETS prefers enactment of H.R. 1918, although we do not subscribe to the implications of specifically subjecting a World War I service pension to the availability of appropriations, an indirect invitation to the budget committees to engage in fun and games, not only regarding this measure, but concerning veterans' entitlements in general. We would also support, as an alternative, H.R. 2735, which requires an election between the service and needs-based pension, if that is the only way the World War I veteran can achieve a service pension.

Of prime significance, gentlemen, is the simple fact that time is running out, not only on the World War I veteran, but maybe on the honor and dignity of the United States of America.

We are currently debating within the Congress and elsewhere the allocation of over $8 billion in increased contributions to the International Monetary Fund and the World Bank so that they can bolster up and support the faltering Socialist economies of other nations, particularly the faltering economies of many Communist nations. If we are going to find somehow that money to put into what may turn out to be a rat hole, why can't we find some $5 billion to finance this legislation?

This concludes my testimony, gentlemen. If you have any questions, I would be pleased to respond.

[The prepared statement of Colonel Passamaneck appears on p. 59.]

Mr. APPLEGATE. Thank you very much, Colonel Passamaneck. One thing about it, you're never short on words. Your statement was very eloquent and we always appreciate having you appear before the committee.

Colonel PASSAMANECK. Thank you.

Mr. APPLEGATE. The gentleman from Ohio, Mr. McEwen.

Mr. McEwen. I always enjoy and appreciate the testimony of Colonel Passamaneck. I have no further questions.

Mr. Applegate. Thank you.

Mr. Hall.

Mr. Hall. That IMF bill hasn't passed yet.

Colonel Passamaneck. No. I realize that.

Mr. Applegate. Mr. Burton.

Mr. Burton. As a life member of the AMVETS, I want to say I am very proud of your remarks. I agree with just about everything you said.

Colonel Passamaneck. Thank you, sir. I appreciate it.

Mr. Applegate. Thank you very much, Mr. Burton.

Colonel Passamaneck. Those are easy questions to respond to. Thank you, Mr. Chairman.

Mr. Applegate. Thank you, Colonel.

Mr. Applegate. Representing the Veterans of Foreign Wars, Mr. James Magill, Special Assistant, National Legislative Service. Jim, it's good to have you here.

STATEMENT OF JAMES N. MAGILL, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

Mr. Magill. Thank you, Mr. Chairman, for the opportunity to present the views of the Veterans of Foreign Wars with respect to a World War I pension. It is a matter of record that the VFW has supported a separate service pension for World War I veterans for many years, and for your review I have included with my statement a copy of our current resolution calling for such a pension.[1]

Mr. Chairman, of the two pieces of legislation before us today, we prefer H.R. 1918. We are, however, concerned with the funding provision calling for the bill to be paid for subject to the availability of appropriations. We believe this would be a dangerous precedent which could affect all veteran entitlements.

We believe the main issue is to advance legislation to provide a pension for World War I veterans. We must never forget that these veterans are the ones who fought for the original GI bill granting a broad range of benefits to World War II veterans and upon which all benefits for veterans of following conflicts have been based.

This concludes my statement and I will be happy to respond to any questions you may have.

[The statement of Mr. Magill appears at p. 60.]

Mr. Applegate. Thank you very much, Jim. I appreciate your statement on behalf of the VFW.

The gentleman from Ohio, Mr. McEwen.

Mr. McEwen. I have no questions, Mr. Chairman.

Mr. Applegate. Mr. Burton.

Mr. Burton. No questions.

Mr. Applegate. Jim, you got off easy today.

Mr. Magill. Thank you, sir.

Mr. Applegate. We'll save the tough ones for a later time. We all appreciate your coming today.

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[1] See p. 61.

Colonel Houston, I wonder if you would mind for the record coming up and introducing the ladies, the young ladies that are accompanying you here today. I think the members would like to know who they are.

Colonel **Houston**. Every beauty contest that I have ever attended, they always parade them around, so I thought it best to bring them up where you can see them.

Mr. **Applegate**. Well, they sure add a lot of color to the proceedings.

Colonel **Houston**. This is our national president.

Ms. **Charping**. My name is kind of hard for these guys. I am Pauline Charping. I am from Mississippi, Congressman Montgomery's State, but I am not in his district. I'm on the coast.

This is my national legislative director, Blanche Sharck, from New Hampshire, and this is our region 5 president, which includes the four Southern States—Mississippi, Alabama, Georgia and Flordia—Lena Dedman from Gulfport, Miss.

Thank you.

Mr. **Applegate**. Thank you very much, ladies, for being here today.

Ms. **Charping**. We have enjoyed it.

Mr. **Applegate**. That will conclude today's hearings. We will advise you as to when our next hearing will be.

Thank you very much for coming.

[Whereupon, at 11:05 a.m., the subcommittee was adjourned.]

[The following was received for the record:]

APPENDIX

98th CONGRESS
1st Session

H. R. 1918

To amend title 38, United States Code, to authorize a service pension of $150 per month for veterans of World War I and for certain surviving spouses of such veterans.

IN THE HOUSE OF REPRESENTATIVES

March 3, 1983

Mr. Anderson (for himself, Mr. Hoyer, Mr. Quillen, Mr. Jeffords, Mr. Stangeland, Mr. Marlenee, Mr. Yatron, Mr. McEwen, Mr. Sunia, Mr. Davis, Mr. Coyne, Mr. Daschle, Mr. Hughes, Mr. Smith of New Jersey, Mr. Dicks, Mr. Dwyer of New Jersey, Mr. Lantos, Mr. Boland, Mr. Dymally, Mr. Fish, Mr. Molinari, Mrs. Schroeder, Mr. Roe, Mr. Horton, Mr. Moakley, Mr. Price, Mr. Taylor, Mrs. Schneider, Mr. McGrath, Mr. Flippo, Mr. Ford of Michigan, Mr. Martin of New York, Mr. Hartnett, Mr. Young of Florida, Mr. Hutto, Mr. Wolf, Mr. Kildee, Mr. Wyden, Mr. Emerson, Ms. Fiedler, Mr. Miller of Ohio, Mr. Dowdy of Mississippi, Mr. Lehman of Florida, Mr. Perkins, Mr. Frank, Mr. Hertel of Michigan, Mr. Sabo, Mr. Conte, Mr. Rudd, Mr. Ottinger, Mr. Jones of North Carolina, Mr. Waxman, Mr. Tauke, Mr. Traxler, Mr. Fauntroy, Mr. Ratchford, Mr. Walgren, Mr. Bevill, Mr. Edgar, Mr. Addabbo, Mr. Matsui, Mr. Bonior of Michigan, Mr. Fields, Mr. Fazio, Mr. Frost, Mr. Panetta, Mr. Lott, Mr. Won Pat, Mr. Corrada, Mr. Porter, Mr. Duncan, Mr. Gunderson, Mr. Skeen, Mr. Stokes, Mr. Williams of Ohio, Mr. Coelho, Mr. Whitehurst, Mr. Ireland, Mr. Gaydos, Mr. Albosta, Mr. Minish, Mr. Rahall, Mr. Forsythe, Mrs. Byron, Mr. Young of Alaska, Mr. Winn, Mr. Solarz, Mr. Boner of Tennessee, Mr. Bedell, Mr. Roberts, Mr. Lewis of California, Mr. Mitchell, Mr. Moorhead, Mr. Gingrich, Mr. Marriott, Mr. Gilman, Mr. Shelby, Mr. English, Mr. Ford of Tennessee, Mr. Zablocki, Mr. Huckaby, Mr. Clinger, Mr. Smith of Iowa, Mrs. Roukema, Mr. Williams of Montana, Mrs. Collins, Mr. Biaggi, Mr. Foglietta, Mr. Derrick, Mr. Weaver, Mr. Whittaker, Mr. Mavroules, Mr. Synar, Mr. Crockett, Mr. Markey, Mr. Evans of Iowa, Mr. McKinney, Mrs. Kennelly, Mr. Shuster, Mr. Barnard, Mr. McCollum, Mr. Sharp, Mr. Wortley, Mr. Dixon, Mr. Nelson of Florida, Mr. Petri, Mr. Long of Louisiana, Ms. Oakar, Mr. Weber, Mr. Roybal, Mr. Howard, Mr. Mica, Mr. Washington, Mr. Leach of Iowa, and Mr.

PEPPER) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend title 38, United States Code, to authorize a service pension of $150 per month for veterans of World War I and for certain surviving spouses of such veterans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World War I Veterans' Service Pension Act".

SEC. 2. (a) Subchapter II of chapter 15 of title 38, United States Code, is amended by inserting after section 512 the following new section:

"§ 513. Veterans of World War I

"(a) Subject to the availability of appropriations, the Administrator shall pay to any veteran of World War I who meets the service requirements of this section a pension at a monthly rate of $150.

"(b)(1) A veteran meets the service requirements of this section if the veteran served in the active military, naval, or air service—

"(A) for ninety days or more during World War I;

"(B) during World War I and was discharged or released from such service for a service-connected disability; or

"(C) for a period of ninety consecutive days or more which began or ended during World War I.

"(2) For the purposes of this section, the term 'World War I' means the period beginning on April 5, 1917, and ending on July 2, 1921.

"(c) Any payment to a veteran under this section is in addition to any payment to which the veteran is entitled under section 521 of this title or section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 512 the following new item:

"513. Veterans of World War I.".

SEC. 3. (a) Subchapter III of chapter 15 of title 38, United States Code, is amended by inserting after section 541 the following new section:

"§ 541a. Certain surviving spouses of World War I veterans

"(a) Subject to the availability of appropriations, the Administrator shall pay to the surviving spouse of any deceased World War I veteran who met the service requirements of section 513(b) of this title a pension at a monthly rate of $150.

"(b) No pension shall be paid to the surviving spouse of a veteran under this section unless such surviving spouse was married to the veteran—

"(1) before December 14, 1944;

"(2) for one year or more; or

"(3) for any period of time, if a child was born of the marriage or was born to them before the marriage.

"(c) Any payment to a surviving spouse under this section is in addition to any payment to which the surviving spouse is entitled under section 541 of this title or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 541 the following new item:

"541a. Certain surviving spouses of World War I veterans.".

SEC. 4. The amendments made by this Act shall apply to payments under chapter 15 of title 38, United States Code, for months after September 1983.

I

98TH CONGRESS
1ST SESSION

H. R. 1369

To amend title 38, United States Code, to provide a special pension program for veterans of World War I.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1983

Mr. APPLEGATE (by request) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend title 38, United States Code, to provide a special pension program for veterans of World War I.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World War I Veterans Special Pension Program Act".

SEC. 2. (a) Subchapter II of chapter 15 of title 38, United States Code, is amended by adding after section 512 the following new section:

"§ 513. World War I veterans

"(a) The Administrator shall pay to each veteran of World War I who meets the service requirements of this section pension at the rate prescribed by this section.

"(b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's spouse) and has no child and such veteran's annual income does not exceed $8,000, pension shall be paid the veteran at the monthly rate of $150.

"(c) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child, and such veteran's annual income does not exceed $10,000, pension shall be paid the veteran at the monthly rate of $150.

"(d) The pension provided for by this section shall be paid without regard to (1) any income of any kind payable to the spouse, and (2) the corpus of the estate of the veteran or the spouse.

"(e) In determining annual income for the purpose of this section, all payments of any kind or from any source shall be included, except those excluded under section 503 of this title as in effect on the date of the enactment of this section.

"(f) A veteran eligible for pension under this section who is also eligible for pension under section 521 or any other section of this title shall elect which pension to receive. Any such election is irrevocable.

"(g) For the purpose of this section, the term 'World War I' means the period beginning on April 6, 1917, and ending on November 11, 1918.

"(h) A veteran meets the service requirements of this section if the veteran served in the active military, naval, or air service—

"(1) for ninety days or more during World War I;

"(2) during World War I and was discharged or released from such service for a service-connected disability;

"(3) for a period of ninety or more consecutive days and such period began or ended during World War I; or

"(4) for an aggregate of ninety days or more in two or more separate periods of service during more than one period of war."

(b) The table of sections at the beginning of chapter 15 of title 38, United States Code, is amended by inserting after the item relating to section 512 the following new item:

"513. World War I veterans."

SEC. 3. Section 513 of title 38, United States Code, as added by section 2, shall take effect on October 1, 1983.

I

98TH CONGRESS
1ST SESSION

H. R. 2735

To amend title 38, United States Code, to provide for the payment of a service pension to veterans of World War I and the Mexican border period and to surviving spouses of such veterans.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1983

Mr. SAM B. HALL, JR. (by request) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend title 38, United States Code, to provide for the payment of a service pension to veterans of World War I and the Mexican border period and to surviving spouses of such veterans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World War I Veterans' Service Pension Act".

SEC. 2. (a) Chapter 15 of title 38, United States Code, is amended—

(1) by inserting after section 512 the following new section:

"§ 513. Veterans of Mexican border period and World War I

"(a) The Administrator shall pay to each veteran of the Mexican border period or World War I who meets the service requirements of this section a pension at the following monthly rate:

"(1) $125 if the veteran does not have a spouse or child.

"(2) $150 if the veteran has a spouse or child.

"(b) A veteran meets the service requirements of this section if the veteran served in the active military, naval, or air service—

"(1) for ninety days or more during the Mexican border period or World War I;

"(2) during the Mexican border period or World War I and was discharged or released from such service for a service-connected disability; or

"(3) for a period of ninety consecutive days or more which began or ended during the Mexican border period or World War I.

"(c) A veteran may not receive pension under both this section and section 521 of this title or section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978. The Administrator shall pay to a veteran who is eligible for pension under this section and either of the other sections pension under this section unless the veteran elects (in such form and manner as the Administrator may prescribe) to receive pension under the other section, in which case the Administrator shall pay to the veteran pension in accordance with such election."; and

(2) by inserting after section 541 the following new section:

"§ 541a. Surviving spouses of Mexican border period and World War I veterans

"(a) The Administrator shall pay to the surviving spouse of each Mexican border period or World War I veteran who met the service requirements of section 513(b) of this title a pension at the monthly rate of $100.

"(b) No pension shall be paid to a surviving spouse of a veteran under this section unless such surviving spouse was married to the veteran—

"(1) before December 14, 1944;

"(2) for one year or more; or

"(3) for any period of time, if a child was born of the marriage or was born to them before the marriage.

"(c) A surviving spouse may not receive pension under both this section and section 541 of this title or section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978. The Administrator shall pay to a surviving spouse who is eligible for pension under this section and either of the other sections pension under this section unless the surviving spouse elects (in such form and manner as the Administrator may prescribe) to receive pension under the other section, in which case the Administrator shall pay to the surviving spouse pension in accordance with such election.".

(b) The table of sections at the beginning of such chapter is amended—

(1) by inserting after the item relating to section 512 the following new item:

"513. Veterans of Mexican border period and World War I."; and

(2) by inserting after the item relating to section 541 the following new item:

"541a. Surviving spouses of Mexican border period and World War I veterans.".

SEC. 3. Sections 513 and 541a of title 38, United States Code (as added by section 2), shall take effect on October 1, 1983.

TESTIMONY OF THE HONORABLE GLENN M. ANDERSON

Mr. Chairman, like all of the World War I "buddies," I am grateful that the members of this subcommittee have again shown their concern for these veterans by convening today's hearing on the authorization of a service pension for them. If I may, I would also like to extol this great nation of ours for so generously recognizing the sacrifices of all our veterans during our more than two-hundred year heritage through the enactment of numerous veterans' pension and benefit legislation.

Most recently, congressionally passed legislation was signed into law and will assist one of the most valiant yet tepidly received group of veterans: the many men who answered their nation's calling during the Vietnam conflict. Both the Veterans' Health Care, Training, and Small Business Act (Public Law 97-72) and section 441 of the Job Training Partnership Act (Public Law 97-300) will ensure expanded employment and business opportunities for those veterans.

As a veteran of World War II, I have supported needed veterans' legislation during my tenure in the Congress and will continue to do so. Earlier in this session I joined an overwhelming majority of our colleagues in passing H.R. 2355, the Emergency Vietnam Veterans' Job Training Act, and H.R. 2948, the Veterans' Housing Benefits Amendments of 1983. An additional bill which I believe is just as worthy of House approval is my legislation, H.R. 1918, authorizing a service pension for our long ignored World War I veterans.

The service pension H.R. 1918 authorizes would provide $150 per month for each eligible veteran. In the event that the eligible veteran has passed away, the eligible surviving spouse of such veteran is authorized to receive this pension. Members of the Subcommittee may wish to note that the version of H.R. 1918 I introduced in this Congress specifies that the administrator of the Veterans' Administration "shall pay" to all veterans and surviving spouses who qualify under this legislation a service pension "at a monthly rate of $150." This comes in response to concerns raised by the representative of the Veterans' Administration who testified before this subcommittee during the 97th Congress about the language of my bill and its apparent lack of resolve regarding the actual payment of the service pension.[1]

Mr. Chairman, H.R. 1918 is not precedent-setting legislation. A service pension for Revolutionary War veterans was enacted by the Continental Congress on May 15, 1778. Initially its provision of one-half pay for life was made applicable only to commissioned officers of that war. Subsequent liberalizing amendments passed in 1783, 1828, and 1832 (Public Law 22-44) conferred eligibility on noncommissioned officers and soldiers, and eventually provided that all would receive full military pay for life. Pension amounts for those veterans varied: an eligible veteran received from $20 to $600 annually. I should like to emphasize, too, that there were no restrictions on such a veteran's financial or property assets.

Service pensions also were enacted for veterans of the War of 1812 (Public Law 41-19), the Mexican War (Public Law 49-33), and the so-called Indian Wars (Public Law 52-177) occurring sporadically during the period from 1832 to 1898. Pensions received by those veterans were paid at a rate of $8 per month, and subsequent legislation increased the monthly pension amount to $50, $65, or $101, depending upon in which of the aforementioned wars the veteran served. And even though only those veterans of the Civil War who were honorably discharged and were incapable of performing manual labor qualified for the $6 to $12 monthly pension, there were no such income restrictions as there are today (Public Law 51-181). Finally, eligible veterans of the Spanish-American War, Boxer Rebellion, and Philippine Insurrection who had attained age 62 received a pension of $12 per month (Public Law 66-256). Eventually this pension was increased to $60 per month for a 75-year-old veteran, and there also were no outside income tests used in determining who was and was not eligible (Public Law 71-299).

Just as a service pension for veterans is not anomalous to the United States' treatment of her veterans, neither is enactment of service pension eligibility for surviving spouses of eligible veterans. Beginning with an act of 1836 (Public Law 24-78), service pensions were extended to surviving spouses of veterans who served during the Revolutionary War, the War of 1812, the Mexican War, Indian Wars, and the Civil War. Interestingly enough, under the 1836 act women who were merely betrothed to a veteran of the Revolutionary War became eligible for the survivor's pension, even if the veteran had served as few as fourteen days.

Mr. Chairman, we all know how cataclysmic the economic and social changes were which confronted our World War I "buddies" upon their discharge following the signing of the Treaty of Versailles. Like today's Vietnam veteran, it was extremely difficult for them to obtain gainful employment. For unlike the myriad G.I. Bill programs which have benefited veterans of World War II and the Korean and Vietnam conflicts, the veterans of that "war to end all wars" were virtually left out in the cold.

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[1] Prepared statement of John W. Hagan, Jr., deputy chief benefits director, Department of Veterans Benefits, Veterans' Administration.

It is true that the Congress overrode a presidential veto to enact the World War Adjusted Compensation Act of 1924 (Public Law 86-120), and that subsequent liberalizing amendments to that so-called "bonus bill" were passed in 1926 and 1936. But that remuneration for this group of veterans, who served this country for the preservation of our democratic institutions as nobly as any other, falls woefully short of what I and one hundred and seventy of our House colleagues who have co-sponsored H.R. 1918 believe is fair.

Towards passage of the World War Adjusted Compensation Act, it was asserted that these veterans had sacrificed substantial earnings and career opportunities and, therefore, should receive a "bonus" in the form of non-interest bearing twenty year certificates. The most a World War I veteran who was stationed overseas could receive as a "bonus" payment was $525, at the equivalent rate of $1.25 per diem; those veterans stationed stateside became eligible for a maximum $500 "bonus," payable at a per diem rate of $1.

My impression of the effectiveness of that "bonus" is that the earnings gap between military and civilian personnel during that period was never bridged. In a letter I received from the Veterans' Administration, a copy of which I would like to submit for the record, Deputy Administrator Everett Alvarez, Jr., estimates that forty claimants' certificates were honored during 1982, resulting in outlays of $13,909.68, or an average of $347.74 per claimant.

Mr. Chairman, this country owes these veterans much more than they have received. While I will be the first to applaud our government for providing comprehensive health care coverage to all veterans and ensuring that each "buddy" has at least a minimum level of income, for pension purposes these veterans are categorized by the Veterans' Administration as "permanently and totally disabled." While I may not speak for all of the "buddies" who are present today, I do know that many consider this to be an affront to their dignity and the individual sacrifices each has made for our country.

Each of us here today should recognize the fact that, while many of us were defending the United States and our allies during the Second World War, it was the "buddies" who so effectively lobbied the Congress for enactment of the Servicemen's Readjustment Act of 1944 (Public Law 78-346), or what is more commonly known as the first G.I. Bill. They undertook this campaign in our behalf because they knew just how difficult it was to return home to one's country after having been away at war. And it was their foresight that has enabled this nation to afford all subsequent veterans the [illegible] of assistance which are so often needed by the soldier when he returns home [illegible] must begin the arduous process of reassimilating civilian life.

Referring [illegible] may Mr. Chairman, to the testimony given by the Veterans' Administration [illegible] representative at this subcommittee's hearings on H.R. 1918 during the 97th Congress, [illegible] would like to recount a few of his words. He concluded then: "The enactment [illegible] 1918 would . . . establish a program so favorable to World War I veterans [illegible] dependents as to amount to an unfair treatment of veterans of later [illegible] articulating the opinion of the Veterans' Administration he further stated, [illegible] strongly disagree with the assumption implicit in this measure that certain periods of service are more worthy than others."[2]

Mr. Chairman, members of the Subcommittee, I believe that without passage of H.R. 1918 posterity will feel compelled to conclude that, contrary to the views held by the Veterans' Administration, these veterans were treated unfavorably and that the United States considered their service to this country as less worthy than that of veterans of all the other conflicts participated in by our nation. With this in mind, I urge the Subcommittee to favorably report H.R. 1918 to the full Committee on Veterans' Affairs. Members of that committee should then proceed expeditiously toward reporting this legislation for consideration by the full House.

Thank you, Mr. Chairman, for extending me the privilege of testifying before the Subcommittee in behalf of our World War I veterans.

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[2] Ibid.

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., June 15, 1983.

Hon. GLENN M. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: I am pleased to reply to your inquiry about the adjusted compensation or "bonus" paid to World War I veterans. The program, which represented a wholly new type of benefit, was available only for veterans with WWI service.

The law providing the bonus payment was enacted in 1924. Congress adopted legislation to provide the bonus because lower graded military personnel had been underpaid during service in comparison to civilian workers. They believed, therefore, that the veterans were entitled to adjusted compensation.

Originally the program provided for certificates which matured in 20 years as endowment insurance. Alternatively, the certificates matured upon the death of the veteran. The program provided for loans up to 90 percent of reserve value.

Starting in 1926 a series of liberalizing amendments occurred. These culminated in 1936 when Congress overrode a Presidential veto, authorizing immediate payment in redeemable 9-year bonds. Most veterans opted to take the bonds and cashed them immediately.

There is no clear indication of the reason for the 1936 legislation. Probably the legislation principally stemmed from the severe economic conditions prevailing as a result of the depression.

We do not have any statistics regarding average payments issued as the result of the adjusted compensation program. During 1982 we processed claims for settlement of about 40 cases. These cases had a total dollar value of $13,909.68. This represents an average of $347.74 per case. The payments were all based on maturity value of the certificates which are not interest bearing. Since each certificate's value depended on the length of service and also on the amount of overseas service the veteran had, we do not believe the 1982 average payment necessarily reflects a norm.

Sincerely,

EVERETT ALVAREZ, *Deputy Administrator*
(For Harry N. Walters, Administrator).

STATEMENT OF DOROTHY L. STARBUCK, CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS BENEFITS, VETERANS' ADMINISTRATION

Mr. Chairman and Members of the Committee: I am pleased to be here today on behalf of the Veterans' Administration to discuss H.R. 1918 and H.R. 2735 which would amend title 38, United States Code to authorize a monthly service penison for veterans of World War I and for certain surviving spouses of such veterans.

For the reasons I will set forth, we oppose enactment of either of these service pension bills. In all fairness, Mr. Chairman, these proposals do not represent the best way to respond to the financial needs of our aging veterans.

H.R. 1918 proposes to pay a monthly service pension of $150 to World War I veterans and their surviving spouses, subject to the availability of appropriations. This proposal would provide for payment of the pension in addition to: (1) any payment of nonservice-connected disability pension to which the veteran is entitled under 38 U.S.C. § 521 or under section 306 of the "Veterans' and Survivors' Pension Improvement Act of 1978" and (2) any payment of nonservice-connected death pension to which the surviving spouse of the veteran is entitled under 38 U.S.C. § 541, or under section 306 of the "Veterans' and Survivors' Pension Improvement Act of 1978."

H.R. 2735, 98th Congress, like H.R. 1918, also provides for a World War I service pension program. However, it differs from H.R. 1918 in that it: (1) includes veterans of the Mexican Border Period; (2) offers differing amounts of pension to various categories of beneficiaries; and (3) prohibits the receipt of this pension in addition to any other nonservice-connected pension, disability or death pension, but provides for an election between pensions. H.R. 2735 would authorize payment of a pension of $125 per month to veterans of the Mexican Border Period and World War I who have neither spouse nor child and $150 per month to such veterans having a spouse or child. It also provides for a pension of $100 per month to the surviving spouse of any eligible veteran.

Currently nonservice-connected disability pension is payable to veterans of the Mexican Border Period, World War I and later war periods, and nonservice death pension is payable to their surviving spouses and children under Chapter 15 of title

38, United States Code, or the savings provisions of section 306 of Public Law No. 95-508 entitled the "Veterans' and Survivors' Pension Improvement Act of 1978."

To be eligible for pension, a financially needy veteran must be permanently and totally disabled from causes not related to service or be age 65 or older and not working. Surviving spouses are required only to meet the needs test. Service requirements generally are that the veteran be discharged under conditions other than dishonorable after 90 days of active military service (or less if discharged for a service-connected disability), any part of which was during wartime.

The current pension program, effective January 1, 1979, and referred to as improved pension, establishes an income standard designed to assure each veteran, in various family situations, a level of support meeting a predetermined national standard of need. The previous pension program, protected by Section 306 of Public Law 95-588 as to those on the pension rolls on December 31, 1978, and under those beneficiaries may choose to continue to receive their pension benefits, contained a sliding scale of benefits based on income and family status. The rate of payments under the protected program are frozen as of December 31, 1978.

As of June 1, 1982, under improved pension the basic annual disability pension rate for a World War I veteran with no dependents and no other income is $6,530. If the veteran is in need of regular aid and attendance the annual rate of pension is increased to $9,726. If such veteran is permanently housebound but not entitled to the aid and attendance allowance, the annual rate of pension is $7,715. These rates of improved pension are increased if the veteran has dependents, and are predicated on no countable income from other sources. If the veteran has other countable income, the amount of pension is reduced dollar for dollar by the amount of other income.

The annual death pension rate for a surviving spouse without a child is $3,570, subject to reduction by the amount of the surviving spouse's countable annual income. In the case of a surviving spouse with one child the annual rate is $4,677.

The annual rate is increased to $5,712 if the surviving spouse is in need of regular aid and attendance. There is an increase of $903 of the annual rate for each additional child. For children, where no surviving spouse is entitled, an annual death pension rate of $903 for each child is payable.

Consistent with the philosophy of need underlying the programs, payments for all sources, with certain statutory exceptions, are considered in determining annual income. Further, no payment is made if the corpus of the claimant's estate (net worth) is such that it is reasonable to require some part of the corpus be consumed for the claimant's maintenance.

Mr. Chairman, the rates of pension and limitations on annual income are different with respect to persons receiving pension under section 306 of Public Law 95-588 and under "old-law" pension. Nevertheless, the Congress has recognized the additional needs of older veterans on two recent occasions. Effective January 1977, the now protected pension program was amended to provide a 25 percent increase in monthly payments for veterans who attained 78 years of age. Although applicable to all veterans receiving pension, this provision had the greatest impact on veterans of World War I, as their average age was approximately 80. This recognition was continued in improved pension as each applicable annual income standard for veterans of World War I and the Mexican Border Period was increased by $800 over the rate applied to other veterans. This increase is linked to the Consumer Price Index and is currently $1,202 above the basic annual disability pension standard for veterans of wartime service after World War I.

H.R. 1918 proposes to pay a service pension to veterans and their surviving spouses in addition to, and not in lieu of, any current pension which may be payable. H.R. 2735 prohibits concurrent receipt of two or more pension benefits, but provides for an election between pension entitlements. The sole requirement for entitlement to either pension would be the veteran's military service without regard to financial need and with no requirement of disability.

Both legislative measures would increase the number of eligible veterans from the present number of pensioners. H.R. 1918, entitled "World War I Veterans' Service Pension Act," would also cover a few veterans of the Mexican Border Period by providing for a beginning date of the eligibility period of April 5, 1917, one day before the World War I beginning date currently in the law. H.R. 2735 makes explicit provisions for a pension to be paid to veterans who served during the Mexican Border Period. With respect to World War I veterans we note that H.R. 1918 projects the ending date of World War I to July 2, 1921, extending eligibility for service pension almost three years beyond the current definition of World War I service. However, the bill does not require a veteran to have served any time at all between April 6, 1917 and November 11, 1918, as the present law stipulates. As written, H.R. 1918 has the effect of providing basic eligibility to service pension to veterans and their survivors who are not currently eligible for disability or death pension, because 90 days could easily have been served exclusive of the 1917 to 1918 dates.

We believe that H.R. 1918 contains inherent inequities with respect to service-connected compensation. If H.R. 1918 is enacted, allowing recepit of service pension and disability or death pension, it is both conceivable and likely that some World War I veterans or survivors could receive monthly nonservice-connected benefits that would exceed the service-connected compensation payments to seriously disabled veterans or the service-connected dependency and indemnity compensation (DIC) paid to survivors.

Enactment of either H.R. 1918 or H.R. 2735 would raise an additional concern over the inequity which would develop with respect to service-connected compensation recipients who may also have basic eligibility for this service pension. Present law prohibits payment of both compensation and pension. Neither bill contains a provison allowing for such dual payment (as H.R. 1918 does with regard to disability and death pension). Therefore, veterans who are entitled to service-connected disability compensation would be forced to select between two benefits. Compensation recipients would not be permitted to receive the full pension payment.

Mr. Chairman, it is a matter of historical fact that since the beginning of the pension program for World War I service, more than 40 years ago, the Government has followed a policy of requiring disability or financial need before granting eligibility for pension benefits. Over the years Congress has repeatedly studied and revised the pension program applying to World War I and later periods. The Congress has consistently improved the pension program, but has at the same time retained the underlying principles of disability, financial need and wartime service. However, both H.R. 1918 and H.R. 2735 dispense with the requisites.

An example of Congressional policy supporting the concept of a need-based pension can be found in the statutory instructions given in 1976 to the Veterans Administration by Congress to study the then existing pension program. As you know, pursuant to section 404 of Public Law 94-432 the Veterans Administration was charged to recommend "a more equitable non-service-connected pension program" which was to be accomplished by examination of:

(6) Alternative proposals which—

(A) assure a level of income for eligible veterans at or above the national minimum standard of need;

(B) treat similarly circumstanced pensioners alike; and

(C) provide the greatest amount of assistance to those with the greatest amount of need.

We do not believe that enactment of H.R. 1918 or H.R. 2735 would meet any of the still applicable criteria listed above. At least some of the expenditures mandated by either bill would not go to veterans who are currently below the national minimum standard of need, but would be distributed to those who currently do not qualify for pension because their income exceeds maximum allowable income limits. Second, these measures clearly would not provide equal treatment to all pensioners in similar economic circumstances. The proposed elimination of the needs test for pension assistance would be inequitable and would unfairly discriminate against other classes of current or potential beneficiaries. Third, the measures would not provide the greatest amount of assistance to those with the greatest amount of need. Instead, they would be retrogressive in their distribution of benefits by providing assistance to those who clearly have less demonstrated need for it. In summary, we believe the longstanding requirements of disability and financial need for entitlement to pension remain reasonable and valid, and should not be modified without a clear justification for doing so.

Furthermore, enactment of a special World War I service pension program, via H.R. 1918 or H.R. 2735, would establish a program so favorable to World War I veterans and their dependents as to amount to unfair treatment of veterans of later wars. Implicit in such measures as these is an assumption that certain periods of service are more worthy than others. We cannot agree with this assumption.

Lastly, H.R. 1918 would make payment of service pension "[s]ubject to the availability of appropriations." We feel that the effect of this language, respecting appropriations, is to make the payment of this benefit somewhat discretionary on the part of the Administrator. Presumably, he could pay eligible veterans $150 or no benefit at all, or could switch his decision from one year to the next. This provision would appear to project some hesitancy on the part of the Congress to the intended beneficiaries and the general public as to the seriousness of the legislation and the reliability of continuing payment. Therefore, such a limitation, in our view, would be an unfortunate and misleading development in veterans' benefits laws.

The costs of enactment of either bill would be substantial. In arriving at our cost figures for H.R. 1918, we assumed an appropriation would be made sufficient to provide $150 per month to every eligible person. The results are as follows:

	Benefit cost		Administrative cost	
	Cases	Cost (millions)	Man-years	Cost (thousands)
Fiscal year:				
1984	760,000	$1,379.2	868	$20,280
1985	657,800	1,194.8	33	692
1986	566,000	1,029.2	30	639
1987	481,800	877.2	27	573
1988	402,000	733.2	24	508
Total		$5,213.6		$22,692

We have estimated the costs associated with enactment of H.R. 2735 as follows:

Year	Benefit cost		Administrative cost	
	Cases	Cost (millions)	Man-years	Cost (thousands)
1984	612,800	$586.0	747	$17,327
1985	519,300	481.2	33	692
1986	434,900	386.4	30	639
1987	357,600	300.7	27	573
1988	284,000	234.0	24	508
Total		1,988.3		19,739

The above cost figures show that the estimated 5-year cost of H.R. 1918, if enacted, exceeds $5 billion. With respect to H.R. 2735 the estimated 5-year cost slightly exceeds 2 billion dollars. In light of the consensus on fiscal restraint existing in Government today, enactment of either bill, with the cost magnitude indicated above, would be inappropriate (particularly considering the inequitable distribution of such benefits) and would have an adverse effect on the existing compensation and pension programs.

In view of the foregoing, the Veterans Administration strongly opposes enactment of both H.R. 1918 and H.R. 2735.

This concludes my formal statement. I will be pleased to respond to any questions you or other members of this committee may have.

Statement of the Veterans of World War I of the United States of America, Inc. by Herbert M. Houston, Legislative Director, and E. L. Sprague, National Commander

Mr. Chairman and Members of this distinguished Subcommittee, it is a pleasure for us to have the honor of appearing before you representing the Veterans of World War I of the United States of America, Incorporated, and its Ladies Auxiliary, concerning our priority legislative program.

My name is Herbert M. Houston. It is my priviledge to serve the men and women of the Veterans of World War I of the United States of America, Incorporated, as their National Legislative Director.

First, let me state that we are pleased that many of our old friends, and friends of all veterans, have chosen to continue to serve on this Committee and we are pleased to meet the new Members of this body.

Please permit me the opportunity to say as one who has appeared before this Committee for many years, that certain faces now absent from the membership of the Committee, bring a sense of sadness, a reminder that Father Time continues to take His Toll.

Permit us to commend the Committee for advancing the many Bills so beneficial to the veterans of all wars, their dependents, and survivors, which have become laws in the past.

I would not want to appear so remiss as to fail to commend the Staff of the Committee for their courtesy at all times, and their patience in assisting the old soldiers in their quest for information.

Our membership, Mr. Chairman, is very conscious of the economic situation confronting our nation today, and having a record of patroitism for more than six decades, they would not concur in, nor support expenditures except for a high priority. They are also aware of the impelling move for retrenchment not only of current legislative expenditures, but to also renege on commitments previously made. This judgment evidently appears logical to those whose concern is obviously only fiscal, unless perhaps they are distant relatives of "Ebenezer Schrooge" and unaware of the needs of those less fortunate than themselves. Our members remember, and become more increasingly aware of a high priority, dating back for more than sixty years, that has not been met by the government.

The failure to respond to the highest priority facing the United States government at the close of World War One, was in our judgment a contribution factor in bringing on the greatest depression this nation has ever experienced.

History has proved over and over through the years, that when the concern of the people is not paramount, the nation is in peril. The nation had prospered during the World War One years, and unfortunately, failed in providing leaders capable of leadership with the return of peace. The government tried to continue a business as ususal manner, after the close of the war, obviously oblivious of the nearly five million returning service personnel, who must now be merged into the society of the nation.

The government had called them away from school, their jobs, their homes, trained them, and sent them overseas. A bewildering experience uprooting them from all they had known before. In returning to their homeland they found it was a new experience, as confusing as the war had been. Now they were strangers in their own homeland, with no jobs, and no way to get one.

During the early 20's, the Congress passed a law authorizing the Adjusted Service Certificates, providing $1.00 per day for home service, and $1.25 per day for overseas service, payable in twenty years. This was a disappointment to the veterans, and meaningless unless turned into cash.

The business as usual began to fade as the veterans began calling on industry for jobs, which they could not provide because these same veterans who were jobless, could not purchase the products of industry. For the lack of leadership, the nation sank into a nation of jobless millions, who soon became hungry and homeless, a seething bubble apparently ready to burst.

There were not food stamps in those days. There were no unemployment payments. There were soup lines, flop houses provided by churches, the Salvation Army, and other agencies. The young veterans starting to raise their families, were deprived of the opportunity of buying a home, because there was no G.I. Bill for them. Soon they became wandering, homeless, vagrants, finally resulting in the Bonus March on the Nation's Capitol, seeking some assistance from their government. They remembered that they had been awarded Adjusted Service Certificates back in the 20's, payable in 1945. They wanted to know why they couldn't have the payment made then.

During the summer of 1932, the veterans of World War One, some with their wives and small children began to gather in Washington, D.C., protesting because they wanted their Adjusted Service Certificates paid then instead of the 20 year maturity date. They were jobless and could not find work, homeless, and there was no G.I. Bill to enable them to buy a home.

The history of the Bonus March is recorded by the National News-Media throughout the nation and may be found in our libraries as our most shameful hour. The callous attitude of the government, coupled with the brutal treatment while in Washington, could have been avoided, if the nation only had leaders concerned in human welfare. It is obvious to anyone who would only think; it was not that the nation could not render the assistance these veterans needed, the government could have, except that they considered business as usual as the first priority, with veteran asistance at the bottom of the list of priorities.

This was the last dramatic effort to bring before the nation, the need of assistance by the government for the veterans of the First World War. The Adjusted Service Certificates were eventually paid prior to the date of maturity; the average being $547.50. All World War One veterans, male and female, with over 60 days service were eligible who did not have rank in the Army and Marines above Captain, and in the Navy Seaman, and Yeoman up to and including the rank of Lieutenant. The World War One veteran received $60.00 upon discharge, and for those receiving the Adjusted Service Certificate, the $60.00 was deducted from the amount of the certificate when it was paid.

This was the end of entitlements for World War I veterans, until December 20, 1979, when Public Law 96-151 was passed, "Veterans Health Programs Extension and Improvement Act of 1979".

With the passage of Public Law 96-151, the World War I veteran could enter and receive treatment from the Veterans Administration Hospital, for the first time without signing a Pauper's Oath since the passage of the Act of March 20, 1933. This Act repealed previous legislative Acts pertaining to World War One veterans, on disability ratings and pension. The Act also established the "need clause" for non-service connected veterans. This language merely expresses a welfare system for uniform service personnel.

The Veterans of World War One of the United States of America, Incorporated, do not criticize the need for this type of pension for those in need. We find that Moses in writing the book of Deuteronomy, 15:11 reminds the ancient Hebrews that, "For the poor shall never cease out of the land:—" end quote.

This pension is essential and evidently is intended to follow any other entitlement provided by the Congress as needed. This is evidenced by the veterans of World War Two, and the veterans of other wars subsequent to World War Two, who are now receiving this non-service connected pension after having received their entitlement under the G.I. Bill.

Mr. Chairman, and Members of the Committee, the Veterans of World War I of the United States of America, Incorporated, respectfully call to your attention, the provisions of Chapters 31, 32, 33, 34, 35, 36, 37, 41, 42, and 43; Sections 1501, 1601, 1650, 1701, 1770, 1801, 2001, and 2021, all authorize entitlements to veterans of specified wars. None of them authorize an entitlement for the veterans of World War One.

After having been authorized the entitlements specified and after having experienced the priviledge of participating in the benefits provided, these veterans may, and are eligible, to receive a non-service connected pension, if they meet the need requirements.

The above records of legislative entitlements of benefits authorized for veterans of World War Two, and subsequent wars, are brought to your attention as evidence of the discrimination of the World War I veteran.

We are before you today Mr. Chairman, asking for the enactment of a Bill introduced by Mr. Hall, of Texas, H.R. 2735. There are a number of Bills submitted for your consideration. However, this is the only one meeting the criterion our organization legislative committee felt we could, in keeping with our National Convention mandate, support.

The need for such a Bill is a matter of principle with the Veterans of World War I. Inasmuch as the Congress has followed the rehabilitation type legislation (the G.I. Bill), it appears to be the norm in veterans entitlements, beginning with World War II, and following in subsequent wars. And realizing that there is no part of that program of entitlements that could be applicable to the World War I veterans, only a substitute entitlement could apply in this circumstance to remove the Veterans of the First World War from the discriminated category, and restore them to the dignity they deserve.

In this instance we ask that an exception be made and that the substitute be the restoration of the service pension as followed from the Revolutionary War, the War of 1812, the War with Mexico—1840, the Civil War—1860's, the War with Spain in 1898, inclusive. And that the entitlement of the service pension in this case be in lieu of the benefits provided in the G.I. Bill.

Primarily this Bill would serve as a symbol of recognition. The World War One veteran has been spoken of across the nation for four decades as the forgotten veteran.

The veterans of the First World War worked diligently through the Veterans of Foreign Wars, and The American Legion (they were the Legion when the first G.I. Bill as passed), for the passage of the first G.I. Bill. After the passage of the G.I. Bill for World War Two veterans, the organization of the Veterans of World War I of the U.S.A., Inc., was organized. Since then, they have worked for the passage of the G.I. Bill for each of the other, Korean and Vietnam War veterans.

Secondly, the passage of this Bill would complement Public Law 96-151, to elevate the status of the World War One veterans, comparable to that of the veterans of other wars. The passage of the first G.I. Bill had relegated the First World War veteran to that of a second class veteran. The passage of this Bill will help restore that lost prestige.

Another significant aspect, the passage of this Bill would place the World War I veteran in the same category as the Spanish American War veteran in years past. They would both have an entitlement of a service pension; however, if it would work to the advantage of any veteran, they would have the option of electing to choose the pension law now in effect.

Mr. Chairman and Members of the Committee, we appreciate very much the opportunity of appearing before you, and of appealing to you for your earnest consideration of our presentation and the hope of forwarding our appeal on to the next step in this process of H.R. 2735 becoming law.

JEWISH WAR VETERANS OF THE
UNITED STATES OF AMERICA,
Washington, D.C., July 25, 1983.

Hon. DOUGLAS APPLEGATE,
Chairman, Subcommittee on Compensation, Pension and Insurance, Committee on Veterans' Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: The Jewish War Veterans of the USA will be unable to testify in person on August 2 before the Subcommittee on Compensation, Pension and Insurance regarding H.R. 1918 and H.R. 2735. I would therefore appreciate having this statement entered into the formal hearing record.

For many years, JWV has supported H.R. 1918 to provide our World War I veterans with a monthly service pension of $150.00. However, Congressman Sam B. Hall, Jr. has introduced H.R. 2735. After examining both proposals, the Jewish War Veterans of the USA feels strongly that H.R. 2735 is in the best interest of WWI veterans for several reasons.

The average age of the World War I veteran is eighty-four. These veterans did not receive a G.I. bill, home loans or any of the compensations offered other war veterans since that time although WWI veterans were often the leaders in efforts to obtain these benefits. While H.R. 1918 has been pending in Congress for many years, many of our WWI veterans have been living on the brink of poverty, denied appropriate recognition for their service to their country.

It is imperative that appropriate legislation be implemented quickly for these veterans are dying at a rate of 5,000 per year. The time to provide these veterans with a monthly pension is long overdue and JWV believes that H.R. 2735 is now the best vehicle to deliver the benefits these veterans deserve.

Although a total cost has not been calculated yet for H.R. 2735, it is estimated that the cost will be lower for H.R. 2735 than for H.R. 1918. The monthly pension for veterans and surviving spouses proposed in H.R. 1918 is $150.00. In H.R. 2735 the monthly pension remains at $150.00 for veterans and surviving spouses but two additional cost-saving categories have been added. If the veteran has no spouse or child, the monthly pension would be $125.00; a surviving spouse would receive $100.00 each month. JWV believes that the reduction in cost for H.R. 2735 makes it more attractive and persuasive. Also, the veteran is not eligible for pension under H.R. 2735 if he is already receiving VA service-connected or nonservice-connected compensation, which will act as an additional savings.

In conclusion, I would like to reaffirm the commitment of the Jewish War Veterans of the USA to the needs of WWI veterans and urge the passage of H.R. 2735 to provide a monthly service pension for these veterans and their spouses.

Sincerely,

STANLEY N. ZWAIK,
National Commander.

MILITARY ORDER OF THE PURPLE HEART,
Springfield, Va., July 19, 1983.

Hon. DOUGLAS APPLEGATE,
Chairman, Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, Washington, D.C.

DEAR MR. APPLEGATE: Our organization appreciates your invitation to participate in the hearing on H.R. 1918 and H.R. 2735, both of which would provide a pension for the World War I veteran. We do not plan to testify at the hearing, but we would like to offer an opinion as a matter of record.

At our 1982 National Convention, a resolution was approved to support H.R. 1918. In comparing the two bills, H.R. 1918 and H.R. 2735, we prefer the language of the latter since it includes the Mexican border period. We prefer the monetary rate of the former. We would suggest an effort to combine these points into one proposal.

We fully realize the need for fiscal restraint, but we feel there is a debt to be honored.

Sincerely,

Maurice E. Loir,
Legislative Director.

Statement of Paul S. Egan, Deputy Director, National Legislative Commission, and John F. Sommer, Jr., Deputy Director, National Veterans Affairs and Rehabilitation Commission, The American Legion

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates this opportunity to present its views on legislation that would provide a special pension to the veterans of World War I.

We will comment on the two measures scheduled for consideration today, H.R. 1918 and H.R. 2735. In addition, Mr. Chairman, we will address H.R. 1369, introduced by you on behalf of the Legion, for which we are certainly appreciative.

H.R. 1918 would amend Chapter 15 of title 38, United States Code, by including two new sections to authorize a service pension of up to $150 per month for veterans of World War I and for certain surviving spouses of such veterans, subject to the availability of appropriations.

Subsection 2(b)(1) of proposed section 513 provides that a veteran meets the service requirements for the service pension if the veteran served in the active military, naval, or air service for ninety days or more during World War I; during World War I and was discharged or released from such service for a service-connected disability; or for a period of ninety consecutive days or more which began or ended during World War I.

Subsection 2(b)(2) states that for the purposes of this section, the term "World War I" means the period beginning on April 5, 1917, and ending on July 2, 1921.

Subsection 2(c) would authorize that any payment under this section is in addition to any payment to which the veteran is entitled under section 521 of the title or section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978 (Public Law 95-588).

Section 541a proposed by H.R. 1918 would pay to the surviving spouse of any deceased World War I veteran who met the foregoing service requirements a pension at a monthly rate not to exceed $150, if such surviving spouse was married to the veteran before December 14, 1944; for one year or more; or for any period of time, if a child was born of the marriage or was born to them before the marriage.

Such payment to a surviving spouse under this new section would be paid in addition to any payment to which the surviving spouse is entitled under section 541 of the title or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

H.R. 2735 would amend Chapter 15 of the title by inserting two new sections to provide a service pension of $125 per month for veterans of World War I and and the Mexican border period if the veteran does not have a spouse or child, $150 per month if the veteran does have a spouse or child; and $100 per month for certain surviving spouses of such veterans.

Subsections 2(b)(1) (2) and (3) of proposed section 513 of this measure provide that a veteran meets the service requirements if the veteran served in the active military, naval, or air service for ninety days or more during the Mexican border period or World War I; during the Mexican border period or World War I and was discharged or released from service for a service-connected disability; or for a period of ninety consecutive days or more which began or ended during the Mexican border period or World War I.

Subsection 2(c) states that a veteran may not receive pension under both this section and section 521 of the title or section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978. In addition, it is stated that the Administrator shall pay to a veteran who is eligible for pension under this proposed section, and either of the other sections, pension under this section unless the veteran elects otherwise, in which case the Administrator shall pay pension to the veteran in accordance to such election.

Section 541a, as proposed by H.R. 2735, would pay to the surviving spouse of each deceased Mexican border period or World War I veteran who met the service requirements stated above, a pension at the monthly rate of $100.

No pension would be paid to a surviving spouse of a veteran unless the surviving spouse was married to the veteran before December 14, 1944; for one year or more; or for any period of time, if a child was born of the marriage or was born to them before the marriage.

A surviving spouse would not receive pension under both the proposed section and section 541 of the title or section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

Pension would be paid to a surviving spouse who is eligible under the proposed section, and either of the foregoing sections, under this section unless the surviving spouse would elect otherwise.

Mr. Chairman, The American Legion owes a great debt of gratitude to the veterans of the First World War, as these valiant individuals founded this organization in 1919, following the hostilities of the war, developed and nurtured the programs which have been responsible for the Legion becoming the largest veterans organization in the world.

Further, we believe it is necessary to remember that the veterans of World War I did not have available to them the generous programs provided for later generations of veterans. For them there was no GI Bill, Home Loan program, and other benefits which they vigorously supported for their children and grandchildren who served during World War II, Korea and Vietnam. And it must be remembered that these veterans, subsequent to their discharge from the Armed Forces, worked for years before the establishment of the Social Security program, and the development of adequate company pension plans.

In consideration of these facts, the Delegates to the last five National Conventions of The American Legion have approved resolutions calling for this organization to sponsor and support legislation which would establish a special pension program for the World War I veterans. As the result of Resolution No. 282 (Georgia) of the 1982 National Convention, draft legislation was prepared, submitted to this Committee, and introduced as H.R. 1369.

This measure would authorize the payment of $150 per month to each eligible veteran who is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's spouse), and has no child, and such veteran's annual income does not exceed $8,000. If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child or children, and such eligible veteran's annual income does not exceed $10,000, pension would be paid the veteran at the monthly rate of $150.

The pension provided by our proposal would be paid without regard to any income of any kind payable to the spouse, and the corpus of estate of the veteran or the spouse.

In the determination of annual income under H.R. 1369, all payments of any kind or from any source would be included, except those presently excluded under the existing provisions of section 503 of the title.

Any veteran of World War I who would be eligible for pension under section 521 or any other section of the title would, if he or she elects, be paid such pension, and if benefits were paid pursuant to such an election, the election would be irrevocable.

In consideration of their dauntless service to country during the terrible ordeal of the first World War, their faithful support of this nation throughout all of its tribulations since that time, and their unselfish support for improved benefit programs for later generations of veterans, we of The American Legion believe it is time to provide this measure of special protection for the veterans of World War I.

The program proposed in H.R. 1369 is, we feel, a modest one. It is within the bounds of fiscal possibility, and would be a modest gesture to assure these proud and respected veterans a certain measure of economic security.

Mr. Chairman, that concludes our statement.

Attachment.

SIXTY-FOURTH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION, CHICAGO, ILL., AUGUST 24, 25, 26, 1982

Resolution: No. 282 (Georgia).

Committee: Veterans Affairs and Rehabilitation.

Subject: Sponsor and support legislation to amend title 38 USC, so as to provide a special pension program for veterans of World War I.

Whereas, the average age of the veterans of World War I approximates 85 years; and

Whereas, the number of living World War I veterans is decreasing steadily; and

Whereas, the surviving veterans of World War I are no longer employable, and in many instances are subsisting at or below the poverty level; and

Whereas, through the years since November 11, 1918, these veterans have worked unremittingly to develop the comprehensive program of veterans benefits that is now provided for all American war veterans; and

Whereas, the veterans of World War I did not have the advantage of any of the readjustment programs provided for veterans of later wars; and

Whereas, the Government of the United States and the American people have a direct obligation to insure that all of the veterans of World War I are not forgotten in their later years; and

Whereas, the veterans of World War I are deserving of a special measure of attention because they have not received all benefits provided for veterans of other wars, and many of them live in a condition of economic deprivation; and

Whereas, the most efficacious and propitious way for the nation to fulfill its obligation to World War I veterans if to insure them an adequate monthly income; and

Whereas, The American Legion, which was founded by veterans of World War I, has a special obligation to look to their needs now, therefore, be it

Resolved, by the American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that The American Legion shall sponsor and support legislation to amend Chapter 15 of title 38, United States Code, by adding a new section entitled "Veterans of World War I" and, which will provide as follows:

(a) The Administrator of Veterans Affairs shall pay to each veteran of World War I, who meets the service requirements of this section, pension at the rate prescribed by this section.

(b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's spouse), and has no child, and such veteran's annual income does not exceed $8,000, pension shall be paid the veteran at the monthly rate of $150.00.

(c) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child or children, and such veteran's annual income does not exceed $10,000, pension shall be paid the veteran at the monthly rate of $150.00.

(d) The pension provided for by this section shall be paid without regard to (1) any income of any kind payable to the spouse, and (2) the corpus of estate of the veterans or the spouse.

(e) In determining annual income for the purpose of this section, all payments of any kind or from any source shall be included, except those presently excluded under the existing provisions of section 503 of this title.

(f) Any veteran who is eligible for pension under section 521 or any other section of this title shall, if he/she elects, be paid such pension. If pension is paid pursuant to such an election, the election shall be irrevocable.

(g) For the purpose of this section, the term World War I means the period beginning on April 6, 1917 and ending on November 11, 1918.

(h) A veteran meets the service requirements of this section if such veteran served in the active military, naval, or air service, (1) For ninety days or more during World War I, (2) during World War I and was discharged or released from such service for a service connected disability, (3) for a period of ninety consecutive days or more and such period began or ended during World War I, and for an aggregate of ninety days or more in two or more separate periods of service during more than one period of war.

Approved.

TESTIMONY OF LT. COL. DAVID J. PASSAMANECK, USA (RETIRED), NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Mr. Chairman, Members of the Subcommittee: AMVETS is proud to appear, as it has in past years, to heartily endorse a service pension for World War I veterans and their widows.

The gallant ranks of those who turned the tide on the Marne and in the Argonne forest are thinning rapidly. Every day that passes without enactment of this minimal expression of a nation's gratitude for their sacrifices deepens an ugly scar on the character and reputation of a great people.

The World War I veteran, still in the prime of his life, fought the battle for the G.I. Bill and almost all of the entitlements which veterans of World War II, Korea and Vietnam have enjoyed. The World War I veteran was determined to do better by his son and grandson than he had been treated. His outstanding success in that endeavor is a shining tribute to the humanitarianism and patriotism of that magnificent generation of Americans. How ironic that now, when he is old, when he is sick, when he is dying in poverty and loneliness without having received the benefits afforded to veterans since World War II, the World War I veteran, and his widow must repeatedly have to beg this Congress for less than $200 a month to ease the stress of his last years.

The character of a nation, its will to survive, its pride in its culture and its hopes for the future are measured by no more exacting standard than the way that nation cares for its war veterans. I would not want to judge this nation according to how the World War I veteran and his widow have been treated thus far.

AMVETS prefers enactment of H.R. 1918, although we do not subscribe to the implications of specifically subjecting a World War I service pension to "the availability of appropriations," an indirect invitation to the budget committees to engage in fun and games not only regarding this measure, but concerning veterans entitlements in general. We would also support, as an alternative, H.R. 2735, which requires an election between the service and needs-based pension, if that is the only way the World War I veteran can achieve a service pension.

Of prime significance is the simple fact that time is running out, not only on the World War I veteran, but maybe on the honor and dignity of the United States of America.

This concludes my testimony. If there are any questions, I will be pleased to respond.

STATEMENT OF JAMES N. MAGILL, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and Members of the Subcommittee: Thank you for the privilege of appearing before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars of the United States with respect to a service pension for veterans of World War I.

Mr. Chairman, the two pieces of legislation under consideration today, H.R. 1918, introduced by the Honorable Glenn M. Anderson with numerous co-sponsors, and H.R. 2735 introduced by the Honorable Sam B. Hall would grant a service pension to World War I veterans and certain surviving spouses and dependent children of such veterans. Briefly, H.R. 1918 provides the World War I veteran and his surviving spouse a pension of $150 per month subject to the availability of appropriations. This pension would be awarded in addition to any payments received under section 521 of Title 38 or section 306 of the Veterans and Survivors Pension Improvement Act of 1978. H.R. 2735 provides for veterans of World War I and the Mexican Border period to receive a pension of $125 per month, or $150 per month if the veteran has a spouse or child, with the surviving spouse receiving a pension of $100 per month. Eligible recipients, however, may not receive a pension under both H.R. 2735 and section 521 of Title 38 or section 306 of the Veterans and Survivors Pension Improvement Act of 1978. Funding for H.R. 2735, would be made available as for an entitlement program. Each bill's termination date for eligibility is July 2, 1921. As you know, Public Law 68-242 established July 2, 1921 as the terminating date of World War I. However, this date was changed to November 11, 1918 by the Economy Act of 1933.

Mr. Chairman, it is a matter of record the VFW has supported a separate service pension for World War I veterans and their survivors for many years, and our current Resolution No. 667 entitled, "Special World War I Pension" is appended to my statement for your review.

Mr. Chairman, of the more than 4.7 million veterans who served during World War I, the most recent information available to us indicates approximately 317,500 are living today and their average age is approximately 88.9 years. According to figures furnished by the Veterans Administration, as of May of this year almost one-third of all World War I veterans are in receipt of pension payable by the VA. These older veterans received meager benefits by today's standards, were generally much less educated, and came home after victory to face widespread unemployment. Upon discharge from service, World War I veterans received a payment of $60 and their train fare home.

In 1924, legislation was passed to provide adjusted compensation for veterans of World War I. Under the provisions of Public Law 68-120, for each day of service in excess of 60 days, veterans with service between April 5, 1917 and July 1, 1919 were creditied with $1.25 for each day overseas service and $1.00 for each day of home service with a maximum of $500 for home service and $625 for overseas service. If the veteran's adjusted service credit was $50 or less, the amount was paid in a single payment. However, if the amount was more than $50, the veteran was issued a certificate in the amount of the adjusted credit increased by 50 percent. This certificate was a 20-year endowment insurance policy to which the veteran could not surrender the certificate for cash but was permitted to use it for collateral to secure a short-term loan, with the loan being paid by the government six months after default should such occur. In cases where the veteran did not pay off the loan prior to the maturity date of the certificate, the government paid off the loan at that time and remitted the remaining proceeds to the veteran. In 1936, Congress provided for the immediate payment of World War I adjusted service certificates less the balance of any outstanding loan that they secured. However, payment was not in cash, but in the form of bonds, which were redeemable at any time but with a maturity date of June 3, 1945.

Mr. Chairman, as stated previously, the two bills before us today address the issue of providing a cash pension to World War I veterans. Of these bills the VFW prefers H.R. 1918. However, we are concerned with that portion of the bill which stipulates that the proposed World War I pension would be paid subject to the availability of appropriations. We would view such as an abdication of this Committee's responsibilities under the appropriation process and believe it would set an undesirable and danagerous precedent potentially effecting all veterans' entitlements.

Mr. Chairman, in conclusion, we believe the overriding issue is to advance legislation to provide a pension for World War I veterans. We must never forget that these veterans are the ones who fought for the original G.I. Bill granting a broad range of benefits to World War II veterans and upon which all benefits for veterans of subsequent conflicts have been based.

Thank you.

RESOLUTION NO. 667—SPECIAL WORLD WAR I PENSION

Whereas, there were nearly five million participants in World War I; and

Whereas, over the years this special group of veterans have been denied benefits comparable to those received by veterans of other wars; and

Whereas, this rapidly diminishing segment of the veterans population has reached an average age of almost 90 years; and

Whereas, the needs of these older veterans have been sadly neglected by the government and their income is considerably less than others; now, therefore

be it *Resolved*, by the 83rd National Convention of the Veterans of Foreign Wars of the United States, that we intensify our efforts to enact legislation to provide a statutory World War I pension for these worthy veterans regardless of income.

Adopted by the 83rd National Convention of the Veterans of Foreign Wars of the United States held in Los Angeles, California, August 13-19, 1982.

TESTIMONY OF CONGRESSMAN BILL YOUNG

Mr. Chairman, thank you for allowing me to present testimony this morning on H.R. 1918, legislation to establish a service pension for World War I veterans.

This is the sixth time I have come before your subcommittee to testify on the merits of this legislation because I believe the establishment of such a pension program is long overdue. More than 1,300 World War I veterans live in the Eighth Congressional District of Florida, which I represent, so I fully understand the special needs of these brave Americans who fought to defend our nation 60 years ago. That is why one of the first bills I introduced as a member of Congress would have established an unrestricted service pension program for World War I and Mexican Border War Veterans. When I first introduced this legislation in 1971, there were more than 1.4 million World War I veterans still living. Thirteen years later, their population has dwindled to 321,000.

A large number of our colleagues in Congress recognize that time is running out if we are to ever provide the proper compensation for the surviving veterans of World War I. That is why 169 have joined me in cosponsoring H.R. 1918, legislation introduced by Glenn Anderson, my distinguished colleague from California.

Our nation has a proud tradition of caring for the men and women who risked their lives in battle to preserve our liberty and freedom. Congress has enacted legislation to provide a service pension for every veteran from the Revolutionary War through the Spanish-American War, and beginning with World War II, Congress established comprehensive medical and educational programs for veterans far superior to those of any other country. Unfortunately, the veterans of World War I were lost in the transition and never been justly rewarded for their sacrifices. Now, more than 60 years later, they are looking to our nation, which they defended, for help in their time of need.

By providing a $150 per month pension, in addition to any pension already being paid, we can provide the oldest living American veterans with benefits on the same level of those accorded the veterans of every other major war.

As a member of Congress, I have pledged my continued support to fully compensate all American veterans for their service in the defense of our nation, and it is my hope that we soon will be successful in fulfilling our obligation to the oldest of our veterans who served in World War I.